Application No. 09/100,684
Technology Center 3600 (formerly 2100)
Attorney Docket No. 98-019

PATENT APPEAL

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appellants: Daniel E. Tedesco, James A. Jorasch, Jay S. Walker

Application No.: 09/100,684

Filed: June 19, 1998

For: BILLING STATEMENT CUSTOMER ACQUISITION SYSTEM

Group Art Unit: 3622

Examiner: J. Myhre

APPEAL BRIEF

Attorney Docket No. 98-019

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I hereby certify that this correspondence is being deposited with the United States Postal Service "Express Mail under Express Mail No. EV182352208US " in an envelope addressed to: Box Appeal, Undersecretary of Commerce for Intellectual Property and Director of the United States Patent & Trademark Office, Washington, D.C. 20231, on February 24, 2003.

Dated: February 24, 2003 By: V. S. Leliever
Veronika S. Leliever

BOARD OF PATENT APPEALS AND INTERFERENCES
Assistant Commissioner for Patents
Washington, D.C. 20231

Dear Sir:

Appellants hereby appeal to the Board of Patent Appeals and Interferences from the decision of the Examiner in the Final Office Action mailed February 22, 2002 (Paper No. 20), rejecting claims 1 - 13, 22 - 26 and 28 - 30.

REAL PARTY IN INTEREST

The present application is assigned to Walker Digital, LLC, 1177 High Ridge Road, Suite 128, Stamford, CT 06905.

RELATED APPEALS AND INTERFERENCES

No other appeals or interferences are known to Appellants, Appellants' legal representative, or assignee which will directly affect, be directly affected by or have a bearing on the Board's decision in the pending appeal.

STATUS OF CLAIMS

Claims **1 - 13, 22 - 26 and 28 - 30** are pending in the present application and are being appealed.

Claims **1, 11 - 13, 22 and 29** stand rejected under 35 U.S.C. § 103(a) as being unpatentable over a combination of:

- "Reach Out and Pay Someone", Business Week, March 23, 1998, by Peter Elstrom and edited by Robert McNatt and Larry Light (item D on Appellants' Information Disclosure Statement filed June 19, 1998) ("McNatt");
- "AT & T comments on new FCC rules to curb 'slamming' ", June 14, 1995 News Release by Herb Linnen and Jim McGann (item H on Appellants' Information Disclosure Statement filed June 19, 1998) ("Linnen");
- "Subsidized TV sets?", Communications Engineering & Design, February 1998, by Jeffrey Krauss (cited by the Examiner as item U in PTO-892 of the Third Office Action mailed November 20, 2000) ("Krauss"); and
- U.S. Patent No. 6,035,281 to Crosskey et al. ("Crosskey")

and factual assertions partially supported by

- U.S. Patent No. 5,655,089 to Bucci ("Bucci"); and
- U.S. Patent No. 5,060,165 to Schumacher et al. ("Schumacher"),

and (possibly though the Examiner did not clearly indicate) alternative factual assertions partially supported by

- "Making your wireless quest easier", Jeff Goldberg, Point.com, undated but printed November 16, 2000, (cited by the Examiner as item V in PTO-892 of the Third Office Action mailed November 20, 2000) ("Goldberg"); and

- "Active Trader Rebate Program", Wall Street Access Active Trader Rebate Program, downloaded April 22, 1998 from http://www.wsaccess.com/active_rebate_program.htm (item O on Appellants' Supplemental Information Disclosure Statement filed December 7, 1999) ("Wall Street Access").

Claims **2 - 10, 23 - 26, 28 and 30** stand rejected under 35 U.S.C. § 103(a) as being unpatentable over a combination of

- McNatt,
- Linnen,
- Krauss and
- U.S. Patent No. 6,026,370 to Jermyn ("Jermyn").

STATUS OF AMENDMENTS

No amendments were filed subsequent to final rejection.

SUMMARY OF INVENTION

Generally, according to one aspect of the invention, a customer acquisition system allows an entity (e.g., a service provider) to acquire new customers by making offers to customers through the billing statements of other entities. The customer acquisition system provides an offer on a billing statement or on associated promotional materials, and allows the customer to accept the offer. The customer acquisition system optionally ensures that the customer is not an existing customer of the service provider before extending an offer. (Specification, page 3, lines 17 - 26)

The amount owed by the customer may determine whether the customer receives such an offer. For example, such offers may be targeted to customers whose minimum monthly payment is less than, equal to, or even greater than the per-acquisition budget of the service provider. In a further variation, offers may be targeted to customers based on geographic information, such as zip codes, or historical data, such as credit reports or purchase histories. Thus, the present invention allows an service provider to make an offer to the existing

customers of a billing statement issuer, such that the service provider will agree to credit the customer's account with the billing statement issuer, provided that the billing statement issuer's customer becomes a customer of the service provider. (Specification, page 3, line 27 - page 4, line 8)

In one embodiment, the customer may accept the offer, e.g., by circling or marking a corresponding "check box" on the billing statement and returning the statement with the payment, if any, to the billing statement issuer. Upon receiving an indication that an offer was accepted, the service provider is notified to transfer the appropriate funds to the billing statement issuer. (Specification, page 4, line 9 - 13)

ISSUES

Whether claims **1, 11 - 13, 22 and 29** are unpatentable under 35 U.S.C. § 103(a) over a combination of McNatt, Linnen, Krauss, Crosskey, Bucci, Schumacher and possibly Goldberg and Wall Street Access.

Whether claims **2 - 10, 23 - 26, 28 and 30** are unpatentable under 35 U.S.C. § 103(a) over a combination of McNatt, Linnen, Krauss, and Jermyn.

GROUPING OF CLAIMS

The claims in different groups do not stand and fall together.

Appellants group the pending claims as follows:

Group I:	claims **1, 8, 10, 11, 12**
Group II:	claims **2, 3, 4**
Group III:	claim **5**
Group IV:	claims **6 and 7**
Group V:	claim **9**
Group VI:	claim **13**
Group VII:	claims **22, 23, 24**
Group VIII:	claim **25**
Group IX:	claim **26**

Group X: claim **28**

Group XI: claim **29**

Group XII: claim **30**

Appellants believe that claims in different groups are separately patentable, as explained in the following Arguments section.

ARGUMENTS

As explained below, the Examiner's rejection of the claims is improper at least because the Examiner has failed to set forth the requisite prima facie case of unpatentability of any claim. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. Also, various rejections are based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest all the limitations of any pending claim. Accordingly, a rejection based on the art of record is inappropriate.

Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

In the arguments herein, limitations of the claims are indicated in *italics*, and the references of record are indicated by <u>underlining</u>.

1. The Claims of Group I are Allowable Over the Cited References

Group I includes independent claims **1, 11 and 12**. Independent claim **1** is a method claim, while independent claims **11 and 12** are system claims which recite parallel limitations to those of method claim **1**. Accordingly, although independent claim **1** is referenced in the arguments below for simplicity, the arguments are equally applicable to independent claims **11 and 12**.

Group I also includes Claims **8 and 10** which depend on independent claim **1**.

1.1. Independent Claim 1

Independent claim **1** is directed to a computerized customer acquisition method in which a customer account record is selected from an electronic customer account database of a first entity. The customer account record includes a customer identifier. It is determined if an individual indicated by the customer identifier is a customer of a second entity.

A billing statement is sent from the first entity to the individual. Provided with the billing statement is an offer to the individual to pay at least a portion of an amount due on the billing statement if the individual becomes a customer of the second entity.

Acceptance of the offer is received from the individual, and the individual is acquired as a customer by transferring the at least a portion of the amount to the first entity by the second entity.

1.2. Advantages of Independent Claim 1

The embodiment of claim **1** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

In general, the method of claim **1** is advantageous in that it permits an entity (e.g., a service provider such as a telephone company) to more effectively acquire customers using the billing statement of another entity (e.g. a credit card company).

The method of claim **1** is advantageous because by *providing with the billing statement an offer to an individual to pay at least a portion of an amount due on the billing statement*, the

offer provided with the billing statement is extremely likely to be seen by individuals. Since the offer is more likely to be seen, it is much more likely to be accepted. Such an offer is more likely to be seen because a billing statement typically includes crucial information (e.g. a total amount due, a minimum payment amount due). (Specification, page 5, lines 9 – 12). This crucial information requires the customer to open (not discard) the billing statement and to read (not ignore) the billing statement. In contrast, offers sent via direct marketing are unlikely to even be read, much less accepted. (Specification, page 2, lines 8 - 14; page 2, lines 19 - 24; page 3, lines 23 - 24; page 5, lines 11 - 12; and page 6, line 28) Direct marketing offers are so ineffective that a campaign in which "only" 97% of the offers are rejected is considered successful. (Specification, page 2, line 11 – 14)

The method of claim **1** is also advantageous in that *an offer to pay at least a portion of that amount due on the billing statement* is highly appealing to the individual, and thus the offer is even more likely to be accepted. The *offer is provided with the billing statement.* Consequently, the individual is notified (probably for the first time) by the billing statement that a particular *amount is due*, and the individual is likewise notified of *the offer to pay at least a portion of this amount due*. Thus, the individual has an appealing opportunity to reduce or eliminate that debt **as she is presented with** the demand to pay for that debt herself. Thus, customers are much more likely to accept such offers provided in accordance with the present invention. (Specification, page 2, lines 19 - 24; page 5, lines 13 - 17; page 5, lines 18 – 25) This effect is subtle but extremely powerful - people simply are more likely to accept help when it is offered in conjunction with the need for help. An offer for money is more likely to be accepted by an individual who is presented with a demand for payment due, much like a shopper who is hungry is more likely to purchase more food.

The method of claim **1** is also advantageous in that entities may, if desired, create the *offer provided with the billing statement* without substantial additional costs. The second entity which desires to acquire the individual as a customer may advertise for new customers through direct marketing efforts. (Specification, page 2, lines 1 - 30) Such entities have already expended significant resources in designing, creating and test marketing direct mail materials and other promotional materials. The method of claim **1** is advantageous for such entities in

that such promotional materials may be reused, if desired, as the *offer provided with the billing statement* without incurring substantial additional costs of redesigning, recreating and retesting such promotional materials.

The method of claim **1** is also advantageous because the entity to which *the amount due* must be paid can reduce its uncollected payments owed by individuals who accept such offers. (Specification, page 3, lines 7 - 10) Since the offer is *to pay at least a portion of an amount due* and the *at least a portion of the amount due is transferred to the first entity by the second entity, the amount due* is more likely to be paid (i.e., not by the individual but by the second entity), reducing the chance that the first entity is not paid *the amount due.* Further, since as described above the offers are more likely to be seen and accepted, the reduction in the amount of the first entity's uncollected payments can be substantial.

Similarly, the limitation of transferring *at least a portion of the amount due to the first entity by the second entity* is advantageous compared with a payment directly to the individual. The individual may not use the received payment to pay *the amount due.*

The method of claim **1** is also advantageous because the entity to which *the amount due* must be paid can receive higher customer activity. Since the individuals may learn that portions of debt can be reduced, they may be encouraged to incur higher amounts due (e.g. through increased purchases from or using the billing entity).

The method of claim **1** is particularly advantageous to people with limited funds, and allows such people to reduce or avoid nonpayment of debt. As described above, with the method of claim **1** *the amount due* is more likely to be paid (i.e., not by the individual but by the second entity). This is especially helpful to people who have limited funds, and consequently cannot repay all of their bills in a given month or even make the minimum required payments. Such people must prioritize their bills based on the value of the corresponding services. (e.g., pay the telephone bill rather than the cable bill if she feels that telephone service is more important than cable television service). However, if such a person is provided an offer in accordance with the method of claim **1**, she is likely to accept and have *at least a portion of the amount due on the billing statement paid.* (Specification, page 5, lines 18

– 25) The person may thus avoid the consequences (e.g. penalty fees, account cancellation, legal action) of not paying, e.g., the minimum payment amount.

The method of claim **1** is also advantageous because *determining if an individual indicated by said customer identifier is a customer of a second entity* allows offers to be more specifically targeted. For example, an offer to become a customer of a particular entity may be withheld from a customer who is already a customer of that entity. Thus, an offer (and the benefits thereof) need not be provided without the reciprocal benefit to the second entity of acquiring a new customer.

The method of claim **1** is also advantageous because *receiving acceptance of said offer from said individual* provides clear legal acceptance of the individual's obligation to become a customer of the second entity.

The method of claim **1** is also advantageous because by *acquiring the individual as a customer by transferring said at least a portion of said amount to the first entity by the second entity*, the second entity pays the portion of the amount due on the billing statement and thereby satisfies its obligation. Depending on, e.g. the particular arrangement and / or state laws, the individual may at that point have become a customer of the second entity.

1.3. The references

The Examiner has relied on a combination of several references in the rejection of the claims of Group I. However, none of the references cited by the Examiner, either alone or in combination, disclose or suggest all of the limitations of any claim of Group I.

Discussed immediately below are the references used in rejecting the claims of Group I: Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access.

1.3.1. The Krauss publication

In summary, Krauss discloses a system in which a customer who desires to purchase, e.g. cellular telephone service, from a service provider receives from the service provider a

subsidy on the price of a piece of equipment (e.g. a cellular telephone) that must be purchased in order to enjoy that service.

For example, a customer can buy a cellular phone for $29 from Circuit City, though the phone costs more than that to manufacture and sell. When the customer signs up for a year of service with a cellular phone company, the cellular phone company sends a check for $200 to Circuit City. (Krauss, page 1, first paragraph)

Similarly, a customer signs up for a year of satellite service can get a low price on a satellite receiver. (Krauss, page 1, second paragraph) Krauss also speculates that eventually a customer who signs up for a year of digital services from the cable company might be able to buy a digital cable box from Circuit City for, e.g. $150. The cable company would then send a check for $200 to Circuit City or the digital cable box manufacturer. (Krauss, page 1, second paragraph)

Finally, Krauss also speculates that eventually a customer who signs up for a year of Fox digital pay programming might be able to buy a subsidized, lower-cost digital TV. (Krauss, page 1, last paragraph - page 2)

1.3.2. The McNatt publication

McNatt discloses that AT&T attempted to attract new customers by mailing checks which, if cashed, make the cashing individual a customer of AT&T's long distance service. The checks were typically for between $50 and $100. (McNatt, paragraph 1)

1.3.3. The Linnen publication

Linnen discloses that some long distance companies or resellers "slam" customers, i.e., switch a customer to their service without obtaining proper authorization from that customer. (Linnen, page 1, paragraph 1) One method "used to entice customers to switch long-distance carriers was with checks" which included "a two-line notice in faint type that 'endorsement of this check switches your long-distance service to Sonic Communications' ". (Linnen, page 2, paragraph 4)

An AT&T customer who is slammed is told there is no charge to them for switching back to AT&T. Although the customer would actually pay the local exchange company (LEC) for being switched back, "the cost is covered by an AT&T long-distance gift certificate". (Linnen, page 2, paragraph 9)

1.3.4. The Crosskey patent

Crosskey discloses a system and method for billing one or more participating parties for client access to the internet. (abstract of Crosskey; Col. 3, lines 27 - 29) "[B]illing is based on the bandwidth (actual) usage by the client of the page accessed." (Col. 5, lines 61- 63). This is contrasted with more popular methods in which "users are charged either by a flat rate (e.g. $19.95 per month) or by connection time (e.g. $1.95 per hour)" irrespective of actual bandwidth usage. (Col. 2, lines 19 – 38)

Since, in the disclosed system, all accesses of web pages are charged to the user, Crosskey further discloses that "other parties may share the bill with the user". (Col. 6, lines 18 – 19) For example, "the original content provider may be willing to absorb the accessing cost for the user if the page is an advertisement." (Col. 6, lines 19 – 22) Similarly, "the OLSP [On line service provider] may be willing to share part of the cost (in a form of discount to the user) because the content page may have previously been locally cached." (Col. 6, lines 22 – 25)

In another example, a party, such as a local car dealer, can have billing responsibility for access by people viewing their advertisements. (Col. 12, lines 57 – 60)

Crosskey discloses a "possible scenario for sharing the usage billing among the user, OLSP and PC component advertiser" where "the OLSP pays for the login and logoff screen transfer, the advertiser pays for the page transferred for the user's purchase of a pc component, and the user pays none or even gets a bonus from the OLSP who may in turn get a bonus from the advertiser because the OLSP enabled the business transaction." (Col. 8, line 67 – Col. 9, line 6)

Each access of a web page creates an access log record and a referred log record. "An access log records information about a page access (or "hit"). A referrer log records information about the page which referred the client to the accessed page." (Col. 7, lines 15 –

19) A typical access log records the time and size of the access. (Col. 7, lines 22 – 30) A typical referrer log also records the time of the access. (Col. 7, lines 33 – 38) In each billing cycle (e.g. each month) these log records "are processed to compute the total bill for all the parties responsible for payment." (Col. 10, lines 20 – 23)

For each such log record, the party responsible for payment or entitled to credit for each previous access is identified (step 203; Col. 10, lines 38 - 40). Then payment and bonus credit for each party is computed based on a function of bandwidth usage. (step 204; Col. 11, lines 6 - 11)

It is noteworthy that Crosskey, in particular fig 2a and the accompanying text (Col. 10, line 17 – Col. 11, line 35), disclose that only "[a]fter all the log records are processed" is "the total bill for each customer and for any other party responsible for payment" calculated. (step 205; Col. 11, lines 32 – 35) Therefore, in Crosskey the bill (which is for page accesses) is generated **after** the user has accessed advertisements and other pages which result in a credit to the user's bill.

1.3.5. The Bucci patent

Bucci discloses a method for combining many mailable materials from different entities into a single package for mailing to an addressee. (Col. 1, lines 46 – 49) The recipient receives "a one or more page summary of all bills and statements that heretofore were received in individual envelopes." (Col. 1, lines 49 – 52) An intended benefit of the disclosed method is avoiding "the undue proliferation of receiving bills, statements and other records" (Col. 1, lines 59 – 65)

"In a similar fashion, other hard-copy material can be included in the single envelope carrying the one-page, or more, summary of all billing statements, to carry, as well, other hard-copy material in the nature of advertising or bill breakdown information." (Col. 3, lines 55 – 59 - grammatical errors in original)

The disclosed system can also "be used to create a large data base of consumer buying patterns, which can be used for targeted marketing, or for additional marketing by geographic areas." (Col. 3, lines 52 – 55)

Group I

1.3.6. The Schumacher patent

Schumacher discloses a network involving a data center and plural publishers and printers of advertising documents. "Databases are established at the data center of profiles of the publishers and printers and their current and prospective activities, and the information used by the data center to match publisher to printer for particular jobs to reduce mail processing and distribution costs, or expedite mail distribution." (Abstract of Schumacher)

In addition, "it may be that a printer is executing a job for a first publisher for distribution to a particular mailing list. A second publisher who has ads intended for the same addressees on the mailing list would save expenses by adding its ads to the same envelopes, with the first publisher sharing in the savings." (Col. 3, lines 62 – 67; see also Col. 11, line 58 - Col. 12, line 4)

"For example, the data center has detected that Publishers B and C also have ads intended for the same addressees in addressee files F-1. Accordingly, Publishers B and C are notified to forward their copy to Printer A to include in the same envelopes that will contain Publisher A's copy." (Col. 9, lines 62 – 68) This minimizes postage and expedites distribution to the addressees due to local printing and use of local Post Offices. (Col 10, lines 1 – 5)

In another example at Col. 10, lines 9 – 23, a particular printer receives an order from a first publisher to print and mail documents to a set of addressees. The data center is informed, and knows that a second publisher frequently creates copy for the same addressees. The data center also knows that the weight of the documents from the first publisher is only one-half of the weight allowed for the postage to be supplied, thus there is envelope capacity for no additional postage. The data center can then advise the second publisher that envelope capacity to those addressees is available at reduced postage costs. Thus, the postage costs for both publishers are halved if the second publisher also provides an order for those addressees.

In addition, users may upload user mailing lists to the data center. "At the data center, the information can be processed relative to the data center data base to sanitize the mailing address list. This includes noting improper zip codes, changes in carrier routes, changes in addresses when people move, etc. The information is thereafter down loaded to the user mailing

equipment at the user location to allow the generation of sanitized effective mailing lists." (Col. 7, lines 46 – 55)

The data center "can provide the actual mailing service for the small business by providing the printing of the necessary inserts, inserting the material into the envelopes and addressing and distributing them. Alternatively, the center can download the address list to the mail business in the appropriate format." (Col. 8, lines 2 – 7)

"Additionally, demographic analysis can be done on the mailing list to identify additional customers who would fall into similar categories and are not yet being serviced by the small business. Moreover, by demographics analysis, other business opportunities for customers of the type serviced by the small business can be identified and provided to the user." (Col. 8, lines 11 – 18)

1.3.7. The Goldberg publication

Goldberg discloses that wireless phones are sold "most everywhere" including the Point.com website, specialty retailers, carrier-owned stores and electronic superstores. (Page 2, paragraph 3)

"Wireless [phone] carriers generally require long-term service agreements ... because the carrier heavily subsidizes the price of a phone. The carrier earns back the phone subsidy ... over the 12, 24 or 36 monthly payments you make for service during the life of the contract." (last page, paragraph 1)

Goldberg is not prior art to the present application. The Goldberg publication bears the copyright "1998-2000", which means the material therein existed in the year 2000, well after the filing date of the present application. Goldberg was also printed on November 16, 2000, as indicated by the text in the footer of each page of Goldberg. There is no other indication that the content of Goldberg is otherwise prior art to the present application.

1.3.8. The Wall Street Access publication

Wall Street Access discloses that customers who trade actively with Wall Street Access have their real-time data fees paid by Wall Street Access. (Page 1, paragraph 1) Each month a

customer qualifies, they receive a rebate on their real-time data statement. (Page 1, paragraphs 4 and 5; table on page 1) Rebate amounts are based on the monthly commissions in equities or options. (Page 1, paragraph 4; table on page 1)

1.3.9. Official Notice

Rejections of various claims were based in part on numerous unsupported assertions of what was "well known" before the time of Appellants' invention. In response, Appellants requested references to support such assertions. (pages 9 and 11 of Appellants Second Response, mailed September 7, 2000; page 6 of Appellants' Third Response, mailed May 21, 2001; pages 5 and 6 of Appellants' Fourth Response, mailed January 24, 2002). Some references were provided for some of the Examiner's assertions.

Appellants note that the scope of the matter of which the Examiner takes Official Notice is limited to the substantial evidence in the record for such matter. The cited references do not support the Examiner's broad assertions as to what was well known. At best, the prior art of record shows that only a very limited form of the asserted matter was known.

Accordingly, the Examiner's sweeping assertions cannot be used as prior art to the present application – only the content of the references of record which are prior art to the present application may so used. "[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" In re Zurko, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); In re Lee, 277 F.3d 1338,1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

Further, officially-noted subject matter cannot be used as the **basis** for a rejection under 102 or 103. Official Notice may be used, if at all, only to clarify the meaning of a reference. See, e.g., In re Ahlert, 424 F.2d 1088 (C.C.P.A. 1969) ("Typically, it is found necessary to take notice of facts which may be used to supplement or **clarify the teaching of a reference** disclosure, perhaps to justify or explain a particular inference to be drawn **from the reference** teaching.") (emphasis added).

In other words, official notice of what existed in the prior art is not permitted. A reference must be provided to show the scope and content of the prior art. See, e.g., In re

Ahlert, 424 F.2d 1088 (C.C.P.A. 1969) ("Assertions of technical facts in areas of esoteric technology **must always be supported by citation to some reference** work recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference. ... Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported and the appellant similarly given the opportunity to make a challenge.") (emphasis added); In re Eynde, 480 F.2d 1364 (C.C.P.A. 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. Facts constituting the state of the art in a patent case are normally subject to the possibility of rational disagreement among reasonable men, and **are not amenable to the taking of judicial or administrative notice**.") (emphasis added); In re Pardo, 684 F.2d 912 (C.C.P.A. 1982) ("[T]his court will always **construe [the rule permitting judicial notice] narrowly** and will regard facts found in such manner with an eye toward narrowing the scope of any conclusions to be drawn therefrom. Assertions of technical facts in areas of esoteric technology **must always be supported by citation to some reference work** recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference.") (emphasis added)

1.4. The Rejection of the Claims of Group I is Flawed

The rejection of the claims of Group I is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group I. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group I can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group I obvious.

Group I

1.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

A reading of the rejection of claim **1** reveals that the Examiner has consistently ignored various limitations of claim **1**. Most revealing is the Examiner's repeated assertion in support of the rejection of claim **1** and other claims:

> "This [Wall Street Access reference], once again, demonstrates the wide spread [sic] use of the marketing technique of a second party directly paying a portion of a user's bill owed to a first party when the user becomes a customer of the second party **as Applicant is claiming**." (emphasis added)

(page 5 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 4 of Fourth Office Action mailed July 24, 2001, paper no. 16). Apparently, the Examiner has simplistically grouped several of the pending claims (including claim **1**) under the rubric of merely reciting that a second party pays "a portion of a user's bill owed to a first party when the user becomes a customer of the second party".

Thus, the Examiner's understanding of claim **1** (and apparently several other claims as well) is to ignore several recited limitations of claim **1**, despite Appellants' repeated arguments to the contrary.

In particular, claim **1** recites the following limitations:

> *providing with the billing statement [sent from the first entity to the individual] an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity*

It is unclear from the rejection of claim **1** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

However, in Crosskey there is no *offer which is provided with the billing statement*, much less *an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity.*

As described in Section 1.3.4 above, Crosskey discloses that only "[a]fter all the log records are processed" is "the total bill for each customer and for any other party responsible for payment" calculated. (step 205 of fig 2a; Col. 11, lines 32 – 35) Therefore, in Crosskey the bill (which is for page accesses) is generated **after** the user has accessed advertisements and other pages which result in a credit to the user's bill. Accordingly, to the extent the Examiner seems to imply that the advertisements of Crosskey to be '*an offer*' (which it is not), these advertisements are clearly not *provided with the billing statement* since the total bill in Crosskey is calculated **after** the user has accessed those advertisements.

Thus, neither Crosskey nor any other reference of record discloses or suggests

> *an offer which is provided with the billing statement*

much less

> *an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity.*

The significant advantages of these limitations are discussed in Section 1.2 above. In summary, such an offer is much more likely to be seen, is much more likely to be accepted, may be created without significant additional costs to the second entity, results in higher customer activity to the first entity, is beneficial to people with limited funds.

Group I

Crosskey and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Claim **1** also recites the following limitations:

> *determining if an individual indicated by said customer identifier [which is included in a customer account record selected from a customer account database of a first entity] is a customer of a second entity*

It is unclear from the rejection of claim **1** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

> "Official Notice is taken that the use of the customer database of a third party as a resource for potential customers which is cross-checked with the business' own customer database is also well known (for support of this Official Notice see Schumacher et al (5,060,165) col 7, line 67 – col 8, line 15). Official Notice is taken that it is also well known to identify customers within the database using a customer id, such as an account number, social security number, etc. (for support of this Official Notice see Bucci, col 2, lines 42 – 47)"

(Page 6, paragraph 1 of Fifth Office Action mailed February 22, 2002, paper no. 20; pages 4 and 5 of Fourth Office Action mailed July 24, 2001, paper no. 16)

As discussed above in Section 1.3.6, Schumacher is devoid of any disclosure or suggestion to determine *if an individual ... from a customer account database of a first entity is a customer of a second entity*. Schumacher discloses that users may upload user mailing lists to the data center, which sanitizes the mailing address list and returns it to the user. (Col. 7, lines 46 – 55) The data center can also provide the actual mailing service for the small business, including printing, inserting into the envelopes, addressing and distributing. (Col. 8, lines 2 – 7) Also, demographic analysis can be done on the user's mailing list to identify additional customers who would fall into similar categories and are not yet being serviced by the small business. Moreover, by demographics analysis, other business opportunities for customers of

the type serviced by the small business can be identified and provided to the user. (Col. 8, lines 11 – 18)

Thus Schumacher does not disclose that there are two entities: one entity which an individual is a customer of, and a **second entity for which it is determined if the individual is a customer**. In Schumacher the two entities under consideration are the user and the data center. Even if the mailing list did contain customers of the user (which is not clearly indicated in the reference), there is no *determining if an individual* on the mailing list *is a customer of* the data center. This clearly would serve no purpose in Schumacher.

Thus, neither Schumacher nor any other reference of record discloses or suggests

> *determining if an individual indicated by said customer identifier [which is included in a customer account record selected from a customer account database of a first entity] is a customer of a second entity*

The significant advantages of these limitations are discussed in Section 1.2 above. In summary, such an offer allows offers according to the method of claim 1 to be more specifically targeted.

Schumacher and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Claim **1** also recites the following limitations:

> *receiving acceptance of said offer [that was provided with the billing statement] from said individual*

It is unclear from the rejection of claim **1** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

> "McNatt discloses a system and method used by AT&T to acquire customers by providing an acquisition offer (check) to the potential customer if they switched to AT&T as their long distance carrier."
>
> and
>
> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; pages 2 - 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

Thus, as best as Appellants understand the Examiner's reasoning, the limitation in claim 1 of

> *receiving acceptance of said offer [that was provided with the billing statement from the first entity][, which offer is an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity] from said individual*

is disclosed or suggested by (1) McNatt's disclosure of cashing a check mailed by AT&T to entice individuals to become a customer of AT&T's long distance service, and / or (2) Crosskey's disclosure of clicking on an advertisement from an advertiser which absorbs the accessing cost for the user.

As discussed above, the references of record, alone or in combination, do not disclose or suggest an *offer provided with the billing statement*, much less *an offer provided with the billing statement from the first* entity, much less an offer as claimed in claim 1, and thus cannot disclose or suggest that *an acceptance of such an offer provided with the billing statement* would be received *from the individual.*

In particular, in McNatt the check from AT&T is mailed to the individual; the check is not provided with *a billing statement from a first entity*, and is not *an offer to pay at least a*

portion of an amount due on said billing statement if said individual becomes a customer of said second entity.

Similarly, in Crosskey the Examiner apparently considers the advertisement to be *an offer to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity*', and clicking on an advertisement to be *an acceptance of the offer.* However, as discussed above, in Crosskey the advertisement cannot be *an offer to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity* because clicking on the advertisement does not and cannot in any way make the individual *become a customer of* the advertiser. Thus clicking on the advertisement cannot be considered *receiving acceptance of the offer [to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity].* The user clicking on an advertisement merely accesses the web page of the advertiser, and is not made a customer thereof.

In addition, as discussed above, in Crosskey the advertisement cannot be *an offer [that was provided with the billing statement from the first entity]* since in Crosskey the bill is generated **after** the user has accessed advertisements which result in a credit to the user's bill. Accordingly, the advertisements of Crosskey are clearly not *provided with the billing statement* since the total bill in Crosskey is calculated **after** the user has accessed those advertisements.

Thus, neither McNatt, Crosskey nor any other reference of record discloses or suggests

> *receiving acceptance of said offer [that was provided with the billing statement from the first entity][, which offer is an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity] from said individual*

The significant advantages of these limitations are discussed in Section 1.2 above. In summary, such an acceptance of such an offer both (1) provides clear legal acceptance of the individual's obligation to become a customer of the second entity, and (1) clearly imposes the requirement on the second entity to fulfill its agreement to pay at least a portion of an amount due on the billing statement.

Group I

McNatt, Crosskey and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

1.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group I, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The references used in rejecting the claims of the Group, discussed more thoroughly in Section 1.3, are summarized below:

Krauss	a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
McNatt	AT&T attempted to attract new customers by mailing checks which, if cashed, make the cashing individual a customer of AT&T's long distance service
Linnen	customers receive checks which upon endorsement switched their long-distance service to Sonic Communications
Crosskey	Advertisers pay a part of the access charge of customers who access their advertisements
Bucci	many mailable materials from different entities are combined into a single package for mailing to an addressee, reducing postage
Schumacher	A data center pairs publishers with printers, and can consolidate jobs of certain publishers with a single printer

Group I

	certain publishers with a single printer
Goldberg (not prior art)	Like Krauss, a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
Wall Street Access	customers who trade actively with Wall Street Access have their real-time data fees paid by Wall Street Access

It is noteworthy that the Examiner never provides a motivation to combine any or all of Krauss, McNatt, Linnen, Crosskey, Goldberg and Wall Street Access with each other. Accordingly, the rejection fails at least because these references are not properly combinable.

Further, the only motivation provided anywhere in the rejection of the claims of Group I is limited to the features of Bucci and Schumacher with (apparently though not explicitly) the "AT&T" references of McNatt and Linnen:

> "[I]t would have been obvious to one having ordinary skill in the art at the time the invention was made that AT&T would select an individual who was not a current customer as the recipient of their acquisition offer (check) and to make this selection by comparing AT&T's customer database with another customer database. One would have been motivated to select the potential customer in this manner in order to reduce the overall cost of the marketing program by eliminating such offers to present customers."

(page 6 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 4 of Fourth Office Action mailed July 24, 2001, paper no. 16; page 4 of Third Office Action mailed November 20, 2000, paper no. 13; page 5 of Second Office Action mailed august 20, 2000, paper no. 8; page 5 of First Office Action mailed March 30, 2000, paper no. 4)

This falls far short of a motivation to combine the systems disclosed in Bucci and Schumacher with the systems disclosed in the remaining references. Bucci is directed to saving postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer. McNatt and Linnen deal with the attempts by long distance service providers to acquire new customers. The remaining references are equally disparate and have nothing to do with each other or the Bucci and Schumacher disclosures.

Group I

Appellants respectfully suggest that this motivation (i.e., in order to reduce the overall cost of the marketing program by **eliminating such offers** to present customers) is not suggested by the prior art. At worst, it is not even accomplished by the purported combination of references.

The Examiner's combination of Bucci and Schumacher with McNatt and Linnen seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that neither Bucci and Schumacher nor McNatt and Linnen address or suggest in any way the need or desirability "to reduce the overall cost of the marketing program by **eliminating such offers** to present customers". This is likely because none of the references disclose or suggest any way to do so, nor the desirability of doing so. Many references do not discuss offers at all.

In addition to not providing a motivation to combine these references, the proposed motivation or benefit for the combination ("to reduce the overall cost of the marketing program by **eliminating such offers** to present customers") still fails to recognize the limitations that are actually recited:

> *determining if an individual indicated by said customer identifier [which is included in a customer account record selected from a customer account database of a first entity] is a customer of a second entity*

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group I, none possess the advantages conferred by those limitations, as discussed in detail above in section 1.2 "Advantages of Claim 1". Accordingly, for at least those reasons, the claims of Group I are patentable in view of the cited references.

2. The Claims of Group II are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group II includes dependent claim **2**, which depends from claim **1**, discussed above with respect to Group I. Group II also includes claims **3 and 4**, which depend from claim **2** and include all of the limitations of claim **2**.

2.1. Dependent Claim 2

Dependent claim **2** further recites a step of *determining whether said individual satisfies predefined criteria for receiving said offer.*

Thus, dependent claim **2** is directed to a computerized customer acquisition method in which a customer account record is selected from an electronic customer account database of a first entity. The customer account record includes a customer identifier. It is determined if an individual indicated by the customer identifier is a customer of a second entity.

It is also determined whether said individual satisfies predefined criteria for receiving an offer to the individual to pay at least a portion of an amount due on the billing statement if the individual becomes a customer of the second entity.

A billing statement is sent from the first entity to the individual. The offer is provided with the billing statement.

Acceptance of the offer is received from the individual, and the individual is acquired as a customer by transferring the at least a portion of the amount to the first entity by the second entity.

2.2. Advantages of Dependent Claim 2

The embodiment of claim **2** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

Since dependent claim **2** depends from claim **1**, claim **2** has the advantages of claim **1**, which are discussed in section 1.2 above.

In addition, the method of claim **2** is further advantageous because *predefined criteria for receiving said offer* allows offers to be more specifically targeted based on the criteria. Thus, entities can, in advance, use such criteria to, e.g. filter out individuals who are unlikely to accept offers, who are unlikely to be good customers, who are likely to be profitable customers.

2.3. The Jermyn patent

Jermyn discloses customizing purchase incentives (discount coupons) for a consumer based on a profile of loyalty to a promoted brand within a product category. The coupons are distributed to the consumer. (Col. 2, lines 41 – 56) The system may also determine "whether the consumer's prior purchases have been of promoted brands, competitive brands or products only related to the promoted product category". (Col. 2, lines 60 – 63) The consumer may thus be designated as either 'brand loyal', a 'competitive user', or 'new to the product category'. (Col. 2, lines 663 – 65)

Households may be targeted for coupons based on, e.g., age, size of household, geographical region, apparent loyalty to promoted brands.

2.4. The Rejection of the Claims of Group II is Flawed

The claims of Group II all depend on independent claim **1**, and are patentable at least because claim **1** is patentable, as discussed above with respect to Group I.

Moreover, the rejection of the claims of Group II is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group II. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group II can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group II obvious.

Group II

2.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

As discussed above with respect to Group I, the rejection of claim **1** relies on a combination of Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access as well.

However, the rejection of claims **2 – 4**, which depend on claim **1**, relies only on Krauss, McNatt, Linnen and Jermyn. Specifically, the Examiner asserted in the rejection of claims **2 – 4** that claim **1** is "disclosed" by Krauss, McNatt and Linnen. (pages 6 – 7 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Appellants believe this to be an oversight by the Examiner. Appellants believe that the Examiner mistakenly copied the arguments from previous Office Actions, when the Examiner used only McNatt, Linnen and Krauss in the rejection of claim **1**. (See, e.g. page 5 of Third Office Action mailed November 20, 2000, paper no. 13)

Accordingly, the Appellants believe the Examiner intended to combine Jermyn with Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access in rejecting claims **2 – 4**.

However, Jermyn does not disclose the recited limitation of:

> *determining whether said individual satisfies predefined criteria for receiving said offer [which is provided with the billing statement] [and which is an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity]*

The Examiner apparently considers the 'offer' of claim **2** to be the coupons of Jermyn. Though Jermyn discloses targeting households for coupons based on various factors, these are not

> *an offer which are provided with the billing statement*

and are also not

> *an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity*

Group II

Accordingly, Jermyn does not disclose the limitation recited in claim **2**.

2.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group II, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The disparate references used in rejecting claim **1** are discussed above with respect to Group I. Further, as discussed above, the Examiner never provides a motivation to combine any or all of those references, either in the rejection of claim **1** or in the rejection of the claims of Group II, and thus the rejection of the claims of Group II likewise lacks the requisite motivation to combine all of the references.

Further, the only motivation provided anywhere in the rejection of the claims of Group II to combine Jermyn with the remaining references used in the rejection of claim **1** is:

> "[I]t would have been obvious to one having ordinary skill in the art at the time the invention was made to select the potential AT&T customers using similar criteria [to those of Jermyn]. One would have been motivated to select customers using predetermined criteria in order to increase the acceptance rate of the offer by targeting the most likely individuals."

(page 7 of Fifth Office Action mailed February 22, 2002, paper no. 20)

This falls far short of a motivation to combine the system disclosed in Jermyn with the systems disclosed in the remaining references. Jermyn is directed to distribution of coupons to be redeemed at point-of-sale systems. Bucci is directed to saving postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer. McNatt and Linnen deal with the attempts by long distance service providers to acquire new customers. The remaining references are equally disparate and have nothing to do with each other or the Jermyn disclosure.

Appellants respectfully suggest that this motivation (i.e., in order to increase the acceptance rate of the claimed offer by targeting the most likely individuals) is not suggested by the prior art. At worst, it is not even accomplished by the purported combination of references.

The Examiner's combination of references seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that none of McNatt, Linnen, Krauss, Crosskey, Bucci, Schumacher, Goldberg and Wall Street Access address or suggest in any way the need or desirability " to increase the acceptance rate of the claimed offer by targeting the most likely individuals". This is likely because none of those references disclose or suggest any way to make the claimed type of offer, nor the desirability of increase the acceptance rate of such an offer. Many of those references do not discuss offers at all.

Further, Appellants note that Jermyn is directed to distribution of coupons to be redeemed at point-of-sale systems, and thus has no connection to the fields of the other references.

Group II

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group II, none possess the advantages conferred by those limitations, as discussed in detail above in section 2.2 "Advantages of Dependent Claim 2". Accordingly, for at least those reasons, the claims of Group II are patentable in view of the cited references.

3. The Claims of Group III are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group II includes dependent claim **5**, which depends from claim **2**, discussed above with respect to Group II.

3.1. Dependent Claim 5

Dependent claim **5** further recites that *said predefined criteria [for receiving said offer] includes financial conditions.*

Thus, dependent claim **5** is directed to a computerized customer acquisition method in which a customer account record is selected from an electronic customer account database of a first entity. The customer account record includes a customer identifier. It is determined if an individual indicated by the customer identifier is a customer of a second entity.

It is also determined whether said individual satisfies predefined criteria, including financial conditions, for receiving an offer to the individual to pay at least a portion of an amount due on the billing statement if the individual becomes a customer of the second entity.

A billing statement is sent from the first entity to the individual. The offer is provided with the billing statement.

Acceptance of the offer is received from the individual, and the individual is acquired as a customer by transferring the at least a portion of the amount to the first entity by the second entity.

3.2. Advantages of Dependent Claim 5

The embodiment of claim **5** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

Since dependent claim **5** depends from claims **1 and 2**, claim **5** has the advantages of claims **1 and 2**, which are discussed in Sections 1.2 and 2.2 above.

In addition, the method of claim **5** is further advantageous because *predefined criteria, including financial conditions, for receiving said offer* allows offers to be more specifically

targeted based on financial conditions. Thus, entities can, in advance, use such criteria to, e.g. filter out individuals who are unlikely to accept offers, who are unlikely to be good customers, who are likely to be profitable customers.

3.3. The Jermyn patent

Jermyn does not disclose that households may be targeted for coupons based on financial conditions o households. However Jermyn does disclose that "[t]he desired number of consumer households so identified [as having purchased products that ft with the current promotional theme] will usually be limited to keep the promotion within a given budget."

3.4. The Rejection of the Claims of Group III is Flawed

The claims of Group III all depend on independent claim **1** and dependent claim **2**, and are patentable at least because claims **1 and 2** are patentable, as discussed above with respect to Groups I and II.

Moreover, the rejection of the claims of Group III is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group III. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group III can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group III obvious.

3.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

As discussed above with respect to Group I, the rejection of claim **1** relies on a combination of Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access as well.

However, the rejection of claim **5**, which depends on claim **1**, relies only on Krauss, McNatt, Linnen and Jermyn. Specifically, the Examiner asserted in the rejection of claim **5** that claim **1** is "disclosed" by Krauss, McNatt and Linnen. (pages 6 – 7 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Appellants believe this to be an oversight by the Examiner. Appellants believe that the Examiner mistakenly copied the arguments from previous Office Actions, when the Examiner used only McNatt, Linnen and Krauss in the rejection of claim **1**. (See, e.g. page 5 of Third Office Action mailed November 20, 2000, paper no. 13)

Accordingly, the Appellants believe the Examiner intended to combine Jermyn with Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access in rejecting claim **5**.

However, Jermyn does not disclose the recited limitation of:

> *determining whether said individual satisfies predefined criteria, including financial conditions, for receiving an offer*

In Jermyn the only financial conditions used in the determination of households to target is the budget of the promotion. Thus, it is not determined whether *the individual satisfies financial conditions for receiving an offer*.

Further, though Jermyn discloses targeting households for coupons based on various factors, these are not

> *an offer which are provided with the billing statement*

and are also not

> *an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity*

Accordingly, Jermyn does not disclose the limitation recited in claim **5**.

3.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group III, which they do not, the references may not properly be combined with

the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

As discussed above in Section 2.4.2, there is no motivation to combine or modify Jermyn with the other references of record in any manner that renders the claims of either of Groups II or III obvious.

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group III, none possess the advantages conferred by those limitations, as discussed in detail above in section 3.2 "Advantages of Dependent Claim 5". Accordingly, for at least those reasons, the claims of Group III are patentable in view of the cited references.

4. The Claims of Group IV are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group IV includes dependent claim **6**, which depends from claim **1**, discussed above with respect to Group I. Group IV also includes dependent claim 7, which depends from claim **6**.

4.1. Dependent Claim 6

Dependent claim **6** further recites that *said customer account record further indicates an amount due* and the method further comprises the step of *determining whether said amount due satisfies predefined criteria for receiving said acquisition offer*.

Thus, dependent claim **6** is directed to a computerized customer acquisition method in which a customer account record is selected from an electronic customer account database of a first entity. The customer account record includes a customer identifier and an amount due.

It is determined if an individual indicated by the customer identifier is a customer of a second entity. It is also determined whether said amount due satisfies predefined criteria for receiving an acquisition offer.

A billing statement is sent from the first entity to the individual. Provided with the billing statement is an offer to the individual to pay at least a portion of an amount due on the billing statement if the individual becomes a customer of the second entity.

Acceptance of the offer is received from the individual, and the individual is acquired as a customer by transferring the at least a portion of the amount to the first entity by the second entity.

4.2. Advantages of Dependent Claim 6

The embodiment of claim **6** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

Since dependent claim **6** depends from claim **1**, claim **6** has the advantages of claim **1**, which are discussed in Section 1.2.

In addition, the method of claim **6** is further advantageous because *determining whether said amount due satisfies predefined criteria for receiving said acquisition offer* allows offers to be more specifically targeted based on an amount due on the individual's billing statement. Thus, entities can, in advance, use such criteria to, e.g., select individuals who have a large amount due and thus a high need, select individuals who are unlikely to accept offers because they do not have a large amount due, select individuals who fit a 'budget' specified by the second entity.

4.3. The Mori patent (U.S. Patent No. 5,200,889)

Rejections of the claims of Group IV were based in part on an unsupported assertion that it was "old and well known within the marketing arts to make promotional offers to pay 'up to' a certain amount". In response, Appellants requested references to support such assertions. (pages 9 and 11 of Appellants Second Response, mailed September 7, 2000; page 6 of Appellants' Third Response, mailed May 21, 2001; pages 5 and 6 of Appellants' Fourth Response, mailed January 24, 2002). The Mori patent was provided to support the Examiner's assertion.

As discussed above in section 1.3.9, the Examiner's sweeping assertions cannot be used as prior art to the present application – only the content of the references of record which are prior art to the present application may so used. Accordingly, only the disclosure of Mori is applicable to the rejection of the claims of Group IV.

Mori discloses an apparatus for refunding a desired rebate at a purchase. (Abstract of Mori) The customer can use the rebate when the rebate reaches an amount which the customer sets. (Col. 2, lines 5 – 10) The desired portion of a rebate amount is subtracted from the purchase, and unused rebate amounts are carried over. (steps SP331 – SP 335 of Fig. 25; Col. 10, lines 18 – 45) If "the desired amount of rebate is greater than the calculated rebate, CPU 21 proceeds to step SP333, and an error message is displayed." (Col. 10, lines 41 – 44)

4.4. The Rejection of the Claims of Group IV is Flawed

Group IV

The claims of Group IV all depend on independent claim **1**, and are patentable at least because claim **1** is patentable, as discussed above with respect to Group I.

Moreover, the rejection of the claims of Group IV is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group IV. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group IV can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group IV obvious.

4.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

As discussed above with respect to Group I, the rejection of claim **1** relies on a combination of Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access as well.

However, the rejection of claim **6**, which depends on claim **1**, relies only on Krauss, McNatt, Linnen, Jermyn and Mori. Specifically, the Examiner asserted in the rejection of claim **6** that claim 1 is "disclosed" by Krauss, McNatt, Linnen and Jermyn. (page 8 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Appellants believe this to be an oversight by the Examiner. Appellants believe that the Examiner mistakenly copied the arguments from previous Office Actions, when the Examiner used only McNatt, Linnen and Jermyn in the rejection of claim **1**. (See, e.g. page 5 of Third Office Action mailed November 20, 2000, paper no. 13)

Accordingly, the Appellants believe the Examiner intended to combine Mori with Krauss, McNatt, Linnen, Jermyn, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access in rejecting claim **6**.

However, Mori (as well as the other references of record) fail to disclose the recited limitation of:

> *determining whether said amount due [from the customer account record of the first entity] satisfies predefined criteria for receiving said acquisition offer*

It is noteworthy that the Examiner has never explicitly referred to this limitation. The rejection instead confusingly refers to "promotional offers to pay 'up to' a certain amount". (page 8 of Fifth Office Action mailed February 22, 2002, paper no. 20)

The Examiner admits that neither McNatt, Linnen, Krauss, nor Jermyn disclose "that the customer database includes an amount due which is equal [to] or less than a predetermined maximum amount". (page 8 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Mori has nothing to do with *an amount due* which the individual must pay a billing entity. On the contrary, Mori deals with a rebate that the customer requests and receives.

Mori also has nothing to do with *determining whether such an amount due satisfies predefined criteria.* The cited portion of Mori (Col. 10, lines 41 - 44), in contrast, discloses only that a customer may not request an amount of rebate that is higher than the maximum allowed.

Mori also has nothing to do with *predefined criteria for receiving said acquisition offer.* There are no offers at all in Mori, much less acquisition offers.

Accordingly, Mori does not disclose the limitation recited in claim **6**.

4.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group IV, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The disparate references used in rejecting claim **1** are discussed above with respect to Group I. Further, as discussed above, the Examiner never provides a motivation to combine any or all of those references, either in the rejection of claim **1** or in the rejection of the claims of Group IV, and thus the rejection of the claims of Group IV likewise lacks the requisite motivation to combine all of the references.

As discussed above in section 2.4.2, Jermyn cannot be properly combined with the remaining references of record.

Further, the only motivation provided anywhere in the rejection of the claims of Group IV to combine Mori with the remaining references used in the rejection of claim **1** is:

> "[I]t would have been obvious to one having ordinary skill in the art at the time the invention was made to check the amount due by the customer and to authorize payment 'up to' a maximum set by the entity. One would have been motivated to pay the amount due up to the maximum payment amount in order to ensure that the first entity does not receive a larger amount than what it was due as discussed by Mori."

(pages 8 - 9 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Appellants note that this 'motivation' does not seem to have anything to do with the recited limitation of claim **6** of

> *determining whether said amount due [from the customer account record of the first entity] satisfies predefined criteria for receiving said acquisition offer*

In addition, the Examiner's assertion falls far short of a motivation to combine the system disclosed in Mori with the systems disclosed in the remaining references. Mori is directed to an apparatus for refunding a desired rebate at a purchase. Jermyn is directed to distribution of coupons to be redeemed at point-of-sale systems. Bucci is directed to saving

postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer. McNatt and Linnen deal with the attempts by long distance service providers to acquire new customers. The remaining references are equally disparate and have nothing to do with each other or the Mori disclosure.

Appellants respectfully suggest that this motivation (i.e., to ensure that the first entity does not receive a larger amount than what it was due) is not suggested by the prior art of record. At worst, it is not even accomplished by the purported combination of references.

The Examiner's combination of references seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that none of Mori, McNatt, Linnen, Krauss, Jermyn, Crosskey, Bucci, Schumacher, Goldberg and Wall Street Access address or suggest in any way the need or desirability "to ensure that the first entity does not receive a larger amount than what it was due". This is likely because none of those references disclose or suggest any way to make the claimed type of offer, nor the desirability of increase the acceptance rate of such an offer. Many of those references do not discuss offers at all. Similarly, none of those references disclose or suggest any way to determine whether an amount due to an entity meets predetermined criteria. Many of those references do not discuss amounts due at all.

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group IV, none possess the advantages conferred by those limitations, as discussed in detail above in section 4.2 "Advantages of Dependent Claim 6". Accordingly, for at least those reasons, the claims of Group IV are patentable in view of the cited references.

5. The Claims of Group V are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group IV includes dependent claim **9**, which depends from claim **1**, discussed above with respect to Group I.

5.1. Dependent Claim 9

Dependent claim **9** further recites that *said billing statement is a billing statement of said first entity* and *said offer is provided to said individual in said billing statement of said first entity*

Thus, dependent claim **9** is directed to a computerized customer acquisition method in which a customer account record is selected from an electronic customer account database of a first entity. The customer account record includes a customer identifier. It is determined if an individual indicated by the customer identifier is a customer of a second entity.

A billing statement of the first entity is sent from the first entity to the individual. Provided in the billing statement is an offer to the individual to pay at least a portion of an amount due on the billing statement if the individual becomes a customer of the second entity.

Acceptance of the offer is received from the individual, and the individual is acquired as a customer by transferring the at least a portion of the amount to the first entity by the second entity.

5.2. Advantages of Dependent Claim 9

The embodiment of claim **9** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

Since dependent claim **9** depends from claim **1**, claim **9** has the advantages of claim **1**, which are discussed in Section 1.2.

In addition, the method of claim **9** is further advantageous because if *the offer is in said billing statement* it is virtually impossible for the individual to ignore it. Further, if *the offer is*

in said billing statement then the offer cannot be misplaced or lost separately from the billing statement (e.g. if the customer takes time to decide whether to accept the offer).

5.3. The Bucci patent

Bucci is discussed above in section 1.3.5. Appellants note that Bucci merely discloses that advertising or bill breakdown information "can be included in the single envelope carrying the one-page, or more, summary of all billing statements" (Col. 3, lines 55 – 59) No offers are discussed in Bucci, much less offers **in** a billing statement.

5.4. The Rejection of the Claims of Group V is Flawed

The claims of Group V all depend on independent claim **1**, and are patentable at least because claim **1** is patentable, as discussed above with respect to Group I.

Moreover, the rejection of the claims of Group V is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group V. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group V can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group V obvious.

5.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

As discussed above with respect to Group I, the rejection of claim **1** relies on a combination of Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access as well.

However, the rejection of claim **9**, which depends on claim **1**, relies only on Krauss, McNatt, Linnen, Jermyn and Bucci. Specifically, the Examiner asserted in the rejection of

claim **9** that claim **1** is "disclosed" by Krauss, McNatt, Linnen and Jermyn. (page 7 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Appellants believe this to be an oversight by the Examiner. Appellants believe that the Examiner mistakenly copied the arguments from previous Office Actions, when the Examiner used only McNatt, Linnen and Jermyn in the rejection of claim **1**. (See, e.g. pages 5 – 6 of Third Office Action mailed November 20, 2000, paper no. 13)

Accordingly, the Appellants believe the Examiner intended to combine Bucci with Krauss, McNatt, Linnen, Jermyn, Crosskey, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access in rejecting claim **9**.

However, Bucci (as well as the other references of record) fail to disclose the recited limitation of:

the offer [to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity] is provided to said individual in said billing statement of said first entity

The Examiner admits that neither McNatt, Linnen, Krauss, nor Jermyn disclose "that the offer is being enclosed in a billing statement". (page 7 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Bucci has nothing to do with *offers in a billing statement*, much less *an offer, in a billing statement, to the individual to pay at least a portion of an amount due on the billing statement if said individual becomes a customer of said second entity.* On the contrary, Bucci deals with advertisements, which cannot be 'accepted', much less accepted to result in *payment of at least a portion of an amount due on the billing statement* in exchange for *said individual becoming a customer of said second entity.*

Accordingly, Bucci does not disclose the limitation recited in claim **9**.

5.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Group V

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group V, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The disparate references used in rejecting claim **1** are discussed above with respect to Group I. Further, as discussed above, the Examiner never provides a motivation to combine any or all of those references, either in the rejection of claim **1** or in the rejection of the claims of Group V, and thus the rejection of the claims of Group V likewise lacks the requisite motivation to combine all of the references.

As discussed above, Bucci cannot be properly combined with the remaining references of record because it has nothing to do with those other references.

Further, the only motivation provided anywhere in the rejection of the claims of Group V to combine Bucci with the remaining references used in the rejection of claim **1** is:

> "[I]t would have been obvious to one having ordinary skill in the art at the time the invention was made to insert the AT&T offer into the billing statement of the first entity, such as the local telephone company. One would have been motivated to do this in order to decrease the postage cost of separate mailings to AT&T and to provide increased revenue to the first entity through the collection of the insertion fees discussed above."

(page 8 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Group V

Appellants note that the 'motivations' of "decreasing the postage cost of separate mailings" and "providing increased revenue to the first entity through the collection of the insertion fees" fly in the face of the limitations of claims **1** and **9**. Claim **1** recites that the offer is provided *with the billing statement*. Dependent claim **9** further limits this to the offer being provided *in the billing statement*. Thus, the additional limitation of claim **9** does not "decrease the postage cost" since even the embodiment of claim **1** requires the offer to be provided with the billing statement. Similarly, the additional limitation of claim **9** does not "provide increased revenue to the first entity through the collection of the insertion fees" since even the embodiment of claim **1** requires the offer to be provided with the billing statement. Accordingly, the purported 'motivations' would not motivate the proposed combination of references in a manner which renders claim **9** obvious.

In addition, the Examiner's assertion falls far short of a motivation to combine the system disclosed in Bucci with the systems disclosed in the remaining references. Bucci is directed to saving postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer. Jermyn is directed to distribution of coupons to be redeemed at point-of-sale systems. McNatt and Linnen deal with the attempts by long distance service providers to acquire new customers. The remaining references are equally disparate and have nothing to do with each other or the Bucci disclosure.

The Examiner's combination of references seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that none of the references of record address or suggest in any way the type of offer contemplated by claims 1 or 9, and thus the references cannot address or suggest

in any way the benefits of providing such an offer *in the billing statement.* Many of those references do not discuss offers at all. Similarly, none of those references disclose or suggest any way to increase acceptance of offers.

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group V, none possess the advantages conferred by those limitations, as discussed in detail above in section 5.2 "Advantages of Dependent Claim 9". Accordingly, for at least those reasons, the claims of Group V are patentable in view of the cited references.

6. The Claims of Group VI are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group VI includes independent claim **13**.

6.1. Independent Claim 13

Independent claim **13** is directed to a computer readable medium having computer readable code means embodied thereon. The computer readable program code means comprise a step to select a customer account record of a first entity. The customer account record includes a customer identifier. There is also a step to determine if an individual indicated by the customer identifier is a customer of a second entity.

There is also a step to generate a billing statement from the first entity to the individual. Provided with the billing statement is an offer to the individual to pay at least a portion of an amount due on the billing statement if the individual becomes a customer of the second entity.

6.2. Advantages of Independent Claim 13

The embodiment of claim **13** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

In general, the computer readable medium of claim **13** is advantageous in that it permits an entity (e.g., a service provider such as a telephone company) to more effectively acquire customers using the billing statement of another entity (e.g. a credit card company).

The medium of claim **13** is advantageous because by *providing with the billing statement an offer to an individual to pay at least a portion of an amount due on the billing statement*, the offer provided with the billing statement is extremely likely to be seen by individuals. Since the offer is more likely to be seen, it is much more likely to be accepted. Such an offer is more likely to be seen because a billing statement typically includes crucial information (e.g. a total amount due, a minimum payment amount due). (Specification, page 5, lines 9 – 12). This crucial information requires the customer to open (not discard) the billing statement and to read (not ignore) the billing statement. In contrast, offers sent via direct

marketing are unlikely to even be read, much less accepted. (Specification, page 2, lines 8 - 14; page 2, lines 19 - 24; page 3, lines 23 - 24; page 5, lines 11 - 12; and page 6, line 28) Direct marketing offers are so ineffective that a campaign in which "only" 97% of the offers are rejected is considered successful. (Specification, page 2, line 11 – 14)

The medium of claim **13** is also advantageous in that *an offer to pay at least a portion of that amount due on the billing statement* is highly appealing to the individual, and thus the offer is even more likely to be accepted. The *offer is provided with the billing statement.* Consequently, the individual is notified (probably for the first time) by the billing statement that a particular *amount is due*, and the individual is likewise notified of *the offer to pay at least a portion of this amount due.* Thus, the individual has an appealing opportunity to reduce or eliminate that debt **as she is presented with** the demand to pay for that debt herself. Thus, customers are much more likely to accept such offers provided in accordance with the present invention. (Specification, page 2, lines 19 - 24; page 5, lines 13 - 17; page 5, lines 18 – 25) This effect is subtle but extremely powerful - people simply are more likely to accept help when it is offered in conjunction with the need for help. An offer for money is more likely to be accepted by an individual who is presented with a demand for payment due, much like a shopper who is hungry is more likely to purchase more food.

The medium of claim **13** is also advantageous in that entities may, if desired, create the *offer provided with the billing statement* without substantial additional costs. The second entity which desires to acquire the individual as a customer may advertise for new customers through direct marketing efforts. (Specification, page 2, lines 1 - 30) Such entities have already expended significant resources in designing, creating and test marketing direct mail materials and other promotional materials. The medium of claim **13** is advantageous for such entities in that such promotional materials may be reused, if desired, as the *offer provided with the billing statement* without incurring substantial additional costs of redesigning, recreating and retesting such promotional materials.

The medium of claim **13** is also advantageous because the entity to which *the amount due* must be paid can reduce its uncollected payments owed by individuals who accept such offers. (Specification, page 3, lines 7 - 10) Since the offer is *to pay at least a portion of an*

amount due, *the amount due* is more likely to be paid (i.e., not by the individual), reducing the chance that the first entity is not paid *the amount due*. Further, since as described above the offers are more likely to be seen and accepted, the reduction in the amount of the first entity's uncollected payments can be substantial.

The medium of claim **13** is also advantageous because the entity to which *the amount due* must be paid can receive higher customer activity. Since the individuals may learn that portions of debt can be reduced, they may be encouraged to incur higher amounts due (e.g. through increased purchases from or using the billing entity).

The medium of claim **13** is particularly advantageous to people with limited funds, and allows such people to reduce or avoid nonpayment of debt. As described above, with the medium of claim **13** *the amount due* is more likely to be paid (i.e., not by the individual). This is especially helpful to people who have limited funds, and consequently cannot repay all of their bills in a given month or even make the minimum required payments. Such people must prioritize their bills based on the value of the corresponding services. (e.g., pay the telephone bill rather than the cable bill if she feels that telephone service is more important than cable television service). However, if such a person is provided an offer in accordance with the medium of claim **13**, she is likely to accept and have *at least a portion of the amount due on the billing statement paid*. (Specification, page 5, lines 18 – 25) The person may thus avoid the consequences (e.g. penalty fees, account cancellation, legal action) of not paying, e.g., the minimum payment amount.

6.3. The references

The Examiner has relied on a combination of several references in the rejection of the claims of Group VI. However, none of the references cited by the Examiner, either alone or in combination, disclose or suggest all of the limitations of any claim of Group VI.

Section 1.3 above discussed the references used in rejecting the claims of Group VI: Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access.

6.4. The Rejection of the Claims of Group VI is Flawed

The rejection of the claims of Group VI is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group VI. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group VI can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group VI obvious.

6.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

A reading of the rejection of claim **13** reveals that the Examiner has consistently ignored various limitations of claim **13**. Most revealing is the Examiner's repeated assertion in support of the rejection of claim **13** and other claims:

> "This [Wall Street Access reference], once again, demonstrates the wide spread [sic] use of the marketing technique of a second party directly paying a portion of a user's bill owed to a first party when the user becomes a customer of the second party **as Applicant is claiming.**" (emphasis added)

(page 5 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 4 of Fourth Office Action mailed July 24, 2001, paper no. 16). Apparently, the Examiner has simplistically grouped several of the pending claims (including claim **13**) under the rubric of merely reciting that a second party pays "a portion of a user's bill owed to a first party when the user becomes a customer of the second party".

Thus, the Examiner's understanding of claim **13** (and apparently several other claims as well) is to ignore several recited limitations of claim **13**, despite Appellants' repeated arguments to the contrary.

In particular, claim **13** recites the following limitations:

> *A step to provide with the billing statement [generated from the first entity to the individual] an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity*

It is unclear from the rejection of claim **13** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

However, in Crosskey there is no *offer which is provided with the billing statement*, much less *an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity.*

As described in Section 1.3.4 above, Crosskey discloses that only "[a]fter all the log records are processed" is "the total bill for each customer and for any other party responsible for payment" calculated. (step 205 of fig 2a; Col. 11, lines 32 – 35) Therefore, in Crosskey the bill (which is for page accesses) is generated **after** the user has accessed advertisements and other pages which result in a credit to the user's bill. Accordingly, to the extent the Examiner seems to imply that the advertisements of Crosskey to be '*an offer*' (which it is not), these

advertisements are clearly not *provided with the billing statement* since the total bill in Crosskey is calculated **after** the user has accessed those advertisements.

Thus, neither Crosskey nor any other reference of record discloses or suggests

> *an offer which is provided with the billing statement*

much less

> *an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity.*

The significant advantages of these limitations are discussed in Section 6.2 above. In summary, such an offer is much more likely to be seen, is much more likely to be accepted, may be created without significant additional costs to the second entity, results in higher customer activity to the first entity, is beneficial to people with limited funds.

Crosskey and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Claim **13** also recites the following limitations:

> *a step to determine if an individual indicated by said customer identifier [which is included in a customer account record of a first entity] is a customer of a second entity*

It is unclear from the rejection of claim **13** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

> "Official Notice is taken that the use of the customer database of a third party as a resource for potential customers which is cross-checked with the business' own customer database is also well known (for support of this Official Notice see Schumacher et al (5,060,165) col 7, line 67 – col 8, line 15). Official Notice is taken that it is also well known to identify customers within the database using a customer id, such as an account number, social security number, etc. (for support of this Official Notice see Bucci, col 2, lines 42 – 47)"

Group VI

(Page 6, paragraph 1 of Fifth Office Action mailed February 22, 2002, paper no. 20; pages 4 and 5 of Fourth Office Action mailed July 24, 2001, paper no. 16)

As discussed above in Section 1.3.6, Schumacher is devoid of any disclosure or suggestion to determine *if an individual ... from a customer account database of a first entity is a customer of a second entity.* Schumacher discloses that users may upload user mailing lists to the data center, which sanitizes the mailing address list and returns it to the user. (Col. 7, lines 46 – 55) The data center can also provide the actual mailing service for the small business, including printing, inserting into the envelopes, addressing and distributing. (Col. 8, lines 2 – 7) Also, demographic analysis can be done on the user's mailing list to identify additional customers who would fall into similar categories and are not yet being serviced by the small business. Moreover, by demographics analysis, other business opportunities for customers of the type serviced by the small business can be identified and provided to the user. (Col. 8, lines 11 – 18)

Thus Schumacher does not disclose that there are two entities: one entity which an individual is a customer of, and a **second entity for which it is determined if the individual is a customer**. In Schumacher the two entities under consideration are the user and the data center. Even if the mailing list did contain customers of the user (which is not clearly indicated in the reference), there is no *determining if an individual* on the mailing list *is a customer of* the data center. This clearly would serve no purpose in Schumacher.

Thus, neither Schumacher nor any other reference of record discloses or suggests

> *a step to determine if an individual indicated by said customer identifier [which is included in a customer account record selected from a customer account database of a first entity] is a customer of a second entity*

The significant advantages of these limitations are discussed in Section 6.2 above. In summary, such an offer allows offers according to the method of claim **13** to be more specifically targeted.

Schumacher and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Group VI

6.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group VI, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The references used in rejecting the claims of the Group, discussed more thoroughly in Section 1.3, are summarized below:

Krauss	a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
McNatt	AT&T attempted to attract new customers by mailing checks which, if cashed, make the cashing individual a customer of AT&T's long distance service
Linnen	customers receive checks which upon endorsement switched their long-distance service to Sonic Communications
Crosskey	Advertisers pay a part of the access charge of customers who access their advertisements
Bucci	many mailable materials from different entities are combined into a single package for mailing to an addressee, reducing postage
Schumacher	A data center pairs publishers with printers, and can consolidate jobs of certain publishers with a single printer
Goldberg (not prior art)	Like Krauss, a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a

	subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
Wall Street Access	customers who trade actively with Wall Street Access have their real-time data fees paid by Wall Street Access

It is noteworthy that the Examiner never provides a motivation to combine any or all of Krauss, McNatt, Linnen, Crosskey, Goldberg and Wall Street Access with each other. Accordingly, the rejection fails at least because these references are not properly combinable.

Further, the only motivation provided anywhere in the rejection of the claims of Group VI is limited to the features of Bucci and Schumacher with (apparently though not explicitly) the "AT&T" references of McNatt and Linnen:

> "[I]t would have been obvious to one having ordinary skill in the art at the time the invention was made that AT&T would select an individual who was not a current customer as the recipient of their acquisition offer (check) and to make this selection by comparing AT&T's customer database with another customer database. One would have been motivated to select the potential customer in this manner in order to reduce the overall cost of the marketing program by eliminating such offers to present customers."

(page 6 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 4 of Fourth Office Action mailed July 24, 2001, paper no. 16; page 4 of Third Office Action mailed November 20, 2000, paper no. 13; page 5 of Second Office Action mailed august 20, 2000, paper no. 8; page 5 of First Office Action mailed March 30, 2000, paper no. 4)

This falls far short of a motivation to combine the systems disclosed in Bucci and Schumacher with the systems disclosed in the remaining references. Bucci is directed to saving postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer. McNatt and Linnen deal with the attempts by long distance service providers to acquire new customers. The remaining references are equally disparate and have nothing to do with each other or the Bucci and Schumacher disclosures.

Appellants respectfully suggest that this motivation (i.e., in order to reduce the overall cost of the marketing program by **eliminating such offers** to present customers) is not

suggested by the prior art. At worst, it is not even accomplished by the purported combination of references.

The Examiner's combination of Bucci and Schumacher with McNatt and Linnen seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that neither Bucci and Schumacher nor McNatt and Linnen address or suggest in any way the need or desirability "to reduce the overall cost of the marketing program by **eliminating such offers** to present customers". This is likely because none of the references disclose or suggest any way to do so, nor the desirability of doing so. Many references do not discuss offers at all.

In addition to not providing a motivation to combine these references, the proposed motivation or benefit for the combination ("to reduce the overall cost of the marketing program by **eliminating such offers** to present customers") still fails to recognize the limitations that are actually recited:

> *a step to determine if an individual indicated by said customer identifier [which is included in a customer account record selected from a customer account database of a first entity] is a customer of a second entity*

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group VI, none possess the advantages conferred by those limitations, as discussed in detail above in section 6.2 "Advantages of Claim 13". Accordingly, for at least those reasons, the claims of Group VI are patentable in view of the cited references.

7. The Claims of Group VII are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group VII includes independent claim **22**, and claims **23 and 24** which depend on independent claim **22**.

7.1. Independent Claim 22

Independent claim **22** is directed to method for paying an amount due indicated on a billing statement generated from an electronic database. There is received an offer with the billing statement to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party. There is indicated acceptance of said offer for said third party to pay at least a portion of said amount due, and the entity performing the method becomes a customer of said third party.

7.2. Advantages of Independent Claim 22

The embodiment of claim **22** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

In general, the method of claim **22** is advantageous in that it permits an individual to have an amount due on her billing statement (e.g., of a credit card company) be paid by a third party (e.g. a service provider such as a telephone company) in exchange for becoming a customer of that third party.

The method of claim **22** is advantageous because by *receiving an offer with the billing statement* in which *the offer is to have at least a portion of the amount due paid by a third party in exchange for becoming a customer of said third party*, the offer received with the billing statement is extremely likely to be seen by the individual. Since the offer is more likely to be seen, it is much more likely to be accepted and the benefits enjoyed by the individual. Such an offer is more likely to be seen because a billing statement typically includes crucial information (e.g. a total amount due, a minimum payment amount due). (Specification, page 5, lines 9 – 12). This crucial information requires the customer to open (not discard) the billing statement

and to read (not ignore) the billing statement. In contrast, offers sent via direct marketing are unlikely to even be read, much less accepted. (Specification, page 2, lines 8 - 14; page 2, lines 19 - 24; page 3, lines 23 - 24; page 5, lines 11 - 12; and page 6, line 28) Direct marketing offers are so ineffective that a campaign in which "only" 97% of the offers are rejected is considered successful. (Specification, page 2, line 11 – 14)

The method of claim **1** is also advantageous in that an *offer to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party* is highly appealing to the individual, and thus the offer is even more likely to be accepted and the benefits enjoyed by the individual. The *offer is received with the billing statement.* Consequently, the individual is notified (probably for the first time) by the billing statement that a particular *amount is due*, and the individual is likewise notified of *the to have at least a portion of said amount due paid by a third party.* Thus, the individual has an appealing opportunity to reduce or eliminate that debt **as she is presented with** the demand to pay for that debt herself. Thus, customers are much more likely to find such offers acceptable and beneficial. (Specification, page 2, lines 19 - 24; page 5, lines 13 - 17; page 5, lines 18 – 25) This effect is subtle but extremely powerful - people simply are more likely to find help acceptable and desirable when it is offered in conjunction with the need for help. An offer for money is more acceptable and desirable to an individual who is presented with a demand for payment due, much like a shopper who is hungry is more likely to purchase more food.

The method of claim **22** is also advantageous in that entities may, if desired, create the *offer received with the billing statement* without substantial additional costs. The third party which desires to acquire the individual as a customer may advertise for new customers through direct marketing efforts. (Specification, page 2, lines 1 - 30) Such entities have already expended significant resources in designing, creating and test marketing direct mail materials and other promotional materials. The method of claim **22** is advantageous for such entities in that such promotional materials may be reused, if desired, as the *offer received with the billing statement* without incurring substantial additional costs of redesigning, recreating and retesting such promotional materials.

Group VII

The method of claim **22** is also advantageous because the entity to which *the amount due* must be paid can reduce its uncollected payments owed by individuals who accept such offers. (Specification, page 3, lines 7 - 10) Since the offer is *to have at least a portion of said amount due paid by a third party*, *the amount due* is more likely to be paid (i.e., not by the individual), reducing the chance that the entity to which *the amount due* must be paid does not receive *the amount due.* Further, since as described above the offers are more likely to be seen and deemed acceptable, the reduction in the amount of the entity's uncollected payments can be substantial.

The method of claim **22** is also advantageous because the entity to which *the amount due* must be paid can receive higher customer activity. Since the individuals may learn that portions of debt can be reduced, they may be encouraged to incur higher amounts due (e.g. through increased purchases from or using the billing entity).

Similarly, because the entity to which *the amount due* must be paid can receive higher customer activity, it can afford to provide billed individuals with more benefits (e.g. reduced interest rates on debt, lower penalties).

The method of claim **22** is particularly advantageous to people with limited funds, and allows such people to reduce or avoid nonpayment of debt. As described above, with the method of claim **1** *the amount due* is more likely to be paid (i.e., not by the individual). This is especially helpful to people who have limited funds, and consequently cannot repay all of their bills in a given month or even make the minimum required payments. Such people must prioritize their bills based on the value of the corresponding services (e.g., pay the telephone bill rather than the cable bill if she feels that telephone service is more important than cable television service). However, if such a person receives an offer in accordance with the method of claim **22**, she is likely to accept and have *at least a portion of the amount due paid by a third party.* (Specification, page 5, lines 18 – 25) The person may thus avoid the consequences (e.g. penalty fees, account cancellation, legal action) of not paying, e.g., the minimum payment amount.

Group VII

The method of claim **22** is also advantageous because *indicating acceptance of said offer* provides clear legal acceptance of the individual's obligation to become a customer of the third party.

7.3. The references

The Examiner has relied on a combination of several references in the rejection of the claims of Group VII. However, none of the references cited by the Examiner, either alone or in combination, disclose or suggest all of the limitations of any claim of Group VII.

Section 1.3 above discusses the references used in rejecting the claims of Group VII: Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access.

7.4. The Rejection of the Claims of Group VII is Flawed

The rejection of the claims of Group VII is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group VII. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group VII can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group VII obvious.

7.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

A reading of the rejection of claim **22** reveals that the Examiner has consistently ignored various limitations of claim **22**. Most revealing is the Examiner's repeated assertion in support of the rejection of claim **22** and other claims:

> "This [Wall Street Access reference], once again, demonstrates the wide spread [sic] use of the marketing technique of a second party directly paying a portion of a user's bill owed to a first party when the user becomes a customer of the second party **as Applicant is claiming**." (emphasis added)

(page 5 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 4 of Fourth Office Action mailed July 24, 2001, paper no. 16). Apparently, the Examiner has simplistically grouped several of the pending claims (including claim **22**) under the rubric of merely reciting that a second party pays "a portion of a user's bill owed to a first party when the user becomes a customer of the second party".

Thus, the Examiner's understanding of claim **22** (and apparently several other claims as well) is to ignore several recited limitations of claim **22**, despite Appellants' repeated arguments to the contrary.

In particular, claim **22** recites the following limitations:

> *receiving an offer with the billing statement to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party*

It is unclear from the rejection of claim **22** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

Group VII

However, in Crosskey there is no *offer which is received with the billing statement*, much less *an offer to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party.*

As described in Section 1.3.4 above, Crosskey discloses that only "[a]fter all the log records are processed" is "the total bill for each customer and for any other party responsible for payment" calculated. (step 205 of fig 2a; Col. 11, lines 32 – 35) Therefore, in Crosskey the bill (which is for page accesses) is generated **after** the user has accessed advertisements and other pages which result in a credit to the user's bill. Accordingly, to the extent the Examiner seems to imply that the advertisements of Crosskey to be '*an offer*' (which it is not), these advertisements are clearly not *received with the billing statement* since the total bill in Crosskey is calculated **after** the user has accessed those advertisements.

Thus, neither Crosskey nor any other reference of record discloses or suggests

an offer which is received with the billing statement

much less

an offer to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party.

The significant advantages of these limitations are discussed in Section 7.2 above. In summary, such an offer is much more likely to be seen, is much more likely to be deemed acceptable, is much more likely to be accepted, may be created without significant additional costs to the second entity, results in higher customer activity to the billing entity, and is beneficial to people with limited funds.

Crosskey and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Claim **22** also recites the following limitations:

indicating acceptance of said offer for said third party to pay at least a portion of said amount due

It is unclear from the rejection of claim **1** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

> "McNatt discloses a system and method used by AT&T to acquire customers by providing an acquisition offer (check) to the potential customer if they switched to AT&T as their long distance carrier."
>
> and
>
> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; pages 2 - 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

Thus, as best as Appellants understand the Examiner's reasoning, the limitation in claim **1** of

> *indicating acceptance of said offer [which offer was received with the billing statement] for said third party to pay at least a portion of said amount due*

is disclosed or suggested by (1) McNatt's disclosure of cashing a check mailed by AT&T to entice individuals to become a customer of AT&T's long distance service, and / or (2) Crosskey's disclosure of clicking on an advertisement from an advertiser which absorbs the accessing cost for the user.

As discussed above, the references of record, alone or in combination, do not disclose or suggest an *offer received with the billing statement*, much less an offer as claimed in claim **22**,

and thus cannot disclose or suggest *indicating acceptance of such an offer received with the billing statement.*

In particular, in McNatt the check from AT&T is mailed to the individual; the check is not *received with a billing statement*, and is not *an offer to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party.*

Similarly, in Crosskey the Examiner apparently considers the advertisement to be *an offer to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party*, and clicking on an advertisement to be *an acceptance of the offer*. However, as discussed above, in Crosskey the advertisement cannot be *an offer to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party* because clicking on the advertisement does not and cannot in any way make the individual *become a customer of* the advertiser. Thus clicking on the advertisement cannot be considered *indicating acceptance of the offer [to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party]*. The user clicking on an advertisement merely accesses the web page of the advertiser, and is not made a customer thereof.

In addition, as discussed above, in Crosskey the advertisement cannot be *an offer [that is received with the billing statement]* since in Crosskey the bill is generated **after** the user has accessed advertisements which result in a credit to the user's bill. Accordingly, the advertisements of Crosskey are clearly not *received with the billing statement* since the total bill in Crosskey is calculated **after** the user has accessed those advertisements.

Thus, neither McNatt, Crosskey nor any other reference of record discloses or suggests

> *indicating acceptance of said offer [which offer was received with the billing statement] for said third party to pay at least a portion of said amount due*

The significant advantages of these limitations are discussed in Section 7.2 above. In summary, such an acceptance of such an offer both (1) provides clear legal acceptance of the

individual's obligation to become a customer of the third party, and (1) clearly imposes the requirement on the third party to fulfill its agreement to pay at least a portion of an amount due.

McNatt, Crosskey and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

7.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group VII, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The references used in rejecting the claims of the Group, discussed more thoroughly in Section 1.3, are summarized below:

Krauss	A customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
McNatt	AT&T attempted to attract new customers by mailing checks which, if cashed, make the cashing individual a customer of AT&T's long distance service
Linnen	customers receive checks which upon endorsement switched their long-distance service to Sonic Communications
Crosskey	Advertisers pay a part of the access charge of customers who access their advertisements

Bucci	many mailable materials from different entities are combined into a single package for mailing to an addressee, reducing postage
Schumacher	A data center pairs publishers with printers, and can consolidate jobs of certain publishers with a single printer
Goldberg (not prior art)	Like Krauss, a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
Wall Street Access	customers who trade actively with Wall Street Access have their real-time data fees paid by Wall Street Access

It is noteworthy that the Examiner never provides a motivation to combine any or all of Krauss, McNatt, Linnen, Crosskey, Goldberg and Wall Street Access with each other. Accordingly, the rejection fails at least because these references are not properly combinable.

Further, the only motivation provided anywhere in the rejection of the claims of Group VII is limited to the features of Bucci and Schumacher with (apparently though not explicitly) the "AT&T" references of McNatt and Linnen:

> "[I]t would have been obvious to one having ordinary skill in the art at the time the invention was made that AT&T would select an individual who was not a current customer as the recipient of their acquisition offer (check) and to make this selection by comparing AT&T's customer database with another customer database. One would have been motivated to select the potential customer in this manner in order to reduce the overall cost of the marketing program by eliminating such offers to present customers."

(page 6 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 4 of Fourth Office Action mailed July 24, 2001, paper no. 16; page 4 of Third Office Action mailed November 20, 2000, paper no. 13; page 5 of Second Office Action mailed august 20, 2000, paper no. 8; page 5 of First Office Action mailed March 30, 2000, paper no. 4)

This falls far short of a motivation to combine the systems disclosed in Bucci and Schumacher with the systems disclosed in the remaining references. Bucci is directed to saving postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer. McNatt and Linnen deal with the attempts by long distance service providers to acquire new

customers. The remaining references are equally disparate and have nothing to do with each other or the Bucci and Schumacher disclosures.

Appellants respectfully suggest that this motivation (i.e., in order to reduce the overall cost of the marketing program by **eliminating such offers** to present customers) is not suggested by the prior art. At worst, it is not even accomplished by the purported combination of references.

The Examiner's combination of Bucci and Schumacher with McNatt and Linnen seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that neither Bucci and Schumacher nor McNatt and Linnen address or suggest in any way the need or desirability "to reduce the overall cost of the marketing program by **eliminating such offers** to present customers". This is likely because none of the references disclose or suggest any way to do so, nor the desirability of doing so. Many references do not discuss offers at all.

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group VII, none possess the advantages conferred by those limitations, as discussed in detail above in section 7.2 "Advantages of Claim 22". Accordingly, for at least those reasons, the claims of Group VII are patentable in view of the cited references.

8. The Claims of Group VIII are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group VIII includes dependent claim **25**, which depends from claim **22**, discussed above with respect to Group VII.

8.1. Dependent Claim 25

Dependent claim **25** further recites that *the offer is provided* ***in*** *a billing statement.*

Thus dependent claim **25** is directed to method for paying an amount due indicated on a billing statement generated from an electronic database. There is received an offer in the billing statement to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party. There is indicated acceptance of said offer for said third party to pay at least a portion of said amount due, and the entity performing the method becomes a customer of said third party.

8.2. Advantages of Dependent Claim 25

The embodiment of claim **25** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

Since dependent claim **25** depends from claim **22**, claim **25** has the advantages of claim **22**, which are discussed in Section 7.2.

In addition, the method of claim **25** is further advantageous because if *the offer is* ***in*** *the billing statement* it is virtually impossible for the individual to ignore it. Further, if *the offer is* ***in*** *the billing statement* then the offer cannot be misplaced or lost separately from the billing statement (e.g. if the customer takes time to decide whether to accept the offer).

8.3. The Bucci patent

Bucci is discussed above in section 1.3.5. Appellants note that Bucci merely discloses that advertising or bill breakdown information "can be included in the single envelope carrying

the one-page, or more, summary of all billing statements" (Col. 3, lines 55 – 59) No offers are discussed in Bucci, much less offers **in** a billing statement.

8.4. The Rejection of the Claims of Group VIII is Flawed

The claims of Group VIII all depend on independent claim **22**, and are patentable at least because claim **22** is patentable, as discussed above with respect to Group VII.

Moreover, the rejection of the claims of Group VIII is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group VIII. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group VIII can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group VIII obvious.

8.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

As discussed above with respect to Group VII, the rejection of claim **22** relies on a combination of Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access as well.

However, the rejection of claim **25**, which depends on claim **22**, relies only on Krauss, McNatt, Linnen, Jermyn and Bucci. Specifically, the Examiner asserted in the rejection of claim **25** that claim **22** is "disclosed" by Krauss, McNatt, Linnen and Jermyn. (page 7 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Appellants believe this to be an oversight by the Examiner. Appellants believe that the Examiner mistakenly copied the arguments from previous Office Actions, when the Examiner used only McNatt, Linnen and Jermyn in the rejection of claim **22**. (See, e.g. pages 5 – 6 of Third Office Action mailed November 20, 2000, paper no. 13)

Accordingly, the Appellants believe the Examiner intended to combine Bucci with Krauss, McNatt, Linnen, Jermyn, Crosskey, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access in rejecting claim **25**.

However, Bucci (as well as the other references of record) fail to disclose the recited limitation of:

the offer [to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party] is provided in the billing statement

The Examiner admits that neither McNatt, Linnen, Krauss, nor Jermyn disclose "that the offer is being enclosed in a billing statement". (page 7 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Bucci has nothing to do with *offers in a billing statement*, much less *an offer, in a billing statement, to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party.* On the contrary, Bucci deals with advertisements, which cannot be 'accepted', much less accepted to result in *payment of at least a portion of an amount due* in exchange for *becoming a customer of said third party.*

Accordingly, Bucci does not disclose the limitation recited in claim **25**.

8.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group VIII, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or

motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The disparate references used in rejecting claim **22** are discussed above with respect to Group VII. Further, as discussed above, the Examiner never provides a motivation to combine any or all of those references, either in the rejection of claim **22** or in the rejection of the claims of Group VIII, and thus the rejection of the claims of Group VIII likewise lacks the requisite motivation to combine all of the references.

As discussed above, Bucci cannot be properly combined with the remaining references of record because it has nothing to do with those other references.

Further, the only motivation provided anywhere in the rejection of the claims of Group VIII to combine Bucci with the remaining references used in the rejection of claim **22** is:

> "[I]t would have been obvious to one having ordinary skill in the art at the time the invention was made to insert the AT&T offer into the billing statement of the first entity, such as the local telephone company. One would have been motivated to do this in order to decrease the postage cost of separate mailings to AT&T and to provide increased revenue to the first entity through the collection of the insertion fees discussed above."

(page 8 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Appellants note that the 'motivations' of "decreasing the postage cost of separate mailings" and "providing increased revenue to the first entity through the collection of the insertion fees" fly in the face of the limitations of claims **22** and **25**. Claim **22** recites that the offer is received ***with the billing statement.*** Dependent claim **25** further limits this to the offer being provided ***in the billing statement.*** Thus, the additional limitation of claim **25** does not "decrease the postage cost" since even the embodiment of claim **22** requires the offer to be **with** the billing statement. Similarly, the additional limitation of claim **25** does not "provide increased revenue to the first entity through the collection of the insertion fees" since even the embodiment of claim **22** requires the offer to be **with** the billing statement. Accordingly, the

purported 'motivations' would not motivate the proposed combination of references in a manner which renders claim **25** obvious.

In addition, the Examiner's assertion falls far short of a motivation to combine the system disclosed in Bucci with the systems disclosed in the remaining references. Bucci is directed to saving postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer. Jermyn is directed to distribution of coupons to be redeemed at point-of-sale systems. McNatt and Linnen deal with the attempts by long distance service providers to acquire new customers. The remaining references are equally disparate and have nothing to do with each other or the Bucci disclosure.

The Examiner's combination of references seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that none of the references of record address or suggest in any way the type of offer contemplated by claims **22** or **25**, and thus the references cannot address or suggest in any way the benefits of such an offer being ***in the billing statement***. Many of those references do not discuss offers at all. Similarly, none of those references disclose or suggest any way to increase acceptance of offers.

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group VIII, none possess the advantages conferred by those limitations, as discussed in detail above in section 8.2 "Advantages of Dependent Claim 25". Accordingly, for at least those reasons, the claims of Group VIII are patentable in view of the cited references.

9. The Claims of Group IX are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group IX includes dependent claim **26**, which depends from claim **22**, discussed above with respect to Group VII.

9.1. Dependent Claim 26

Dependent claim **26** further recites that *indicating acceptance* further comprises *utilizing acceptance indicia on said billing statement.*

Thus dependent claim **26** is directed to method for paying an amount due indicated on a billing statement generated from an electronic database. There is received an offer in the billing statement to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party. Utilizing acceptance indicia on the billing statement, there is indicated acceptance of said offer for said third party to pay at least a portion of said amount due. The entity performing the method becomes a customer of said third party.

9.2. Advantages of Dependent Claim 26

The embodiment of claim **26** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

Since dependent claim **26** depends from claim **22**, claim **26** has the advantages of claim **22**, which are discussed in Section 7.2.

In addition, the method of claim **26** is further advantageous because *utilizing acceptance indicia on the billing statement* to *indicate acceptance of the offer* makes it much more convenient for the individual to accept. Thus, the individual is more likely to accept the offer and enjoy its benefits. Further, *utilizing acceptance indicia on the billing statement* to *indicate acceptance of the offer* then the individual is reminded of the possibility of accepting whenever she sees the billing statement. This also makes the individual more likely to accept the offer and enjoy its benefits.

9.3. The Official Notice

In the rejection of claim **26**, the Examiner provides an unsupported assertion that "acceptance indicia are well known ...". (page 10 of the Fifth Office Action mailed February 22, 2002, paper no. 20) however, no references were ever provided to support this assertion. Thus, there is no substantial evidence for this assertion, and it cannot be used as prior art to the claim.

The inappropriate usage of Official Notice is discussed above in Section 1.3.9.

9.4. The Rejection of the Claims of Group IX is Flawed

The claims of Group IX depend on independent claim **22**, and are patentable at least because claim **22** is patentable, as discussed above with respect to Group VII.

Moreover, the rejection of the claims of Group IX is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group IX. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group IX can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group IX obvious.

9.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

As discussed above with respect to Group VII, the rejection of claim **22** relies on a combination of <u>Krauss</u>, <u>McNatt</u>, <u>Linnen</u>, <u>Crosskey</u>, <u>Bucci</u>, <u>Schumacher</u>, and possibly (though not clearly) <u>Goldberg</u> and <u>Wall Street Access</u> as well.

However, the rejection of claim **26**, which depends on claim **22**, relies only on <u>Krauss</u>, <u>McNatt</u>, <u>Linnen</u>, and <u>Jermyn</u>. Specifically, the Examiner asserted in the rejection of claim **26**

that claim **22** is "disclosed" by Krauss, McNatt, Linnen and Jermyn. (page 10 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Appellants believe this to be an oversight by the Examiner. Appellants believe that the Examiner mistakenly copied the arguments from previous Office Actions, when the Examiner used only McNatt, Linnen and Jermyn in the rejection of claim **22**. (See, e.g. page 8 of Third Office Action mailed November 20, 2000, paper no. 13)

Accordingly, the Appellants believe the Examiner intended to combine Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access as well in rejecting claim **26**.

However, the other references of record fail to disclose the recited limitation of:

> *indicating acceptance of said offer [received with a billing statement] for said third party to pay at least a portion of said amount due* by *utilizing acceptance indicia on said billing statement*

The Examiner asserts that

> "Examiner considers the act of signing the check [from AT&T as disclosed in McNatt and Linnen] to be equivalent as [sic] utilizing acceptance indicia on the billing statement"

(page 10 of Fifth Office Action mailed February 22, 2002, paper no. 20)

However, the signing of a check from AT&T as disclosed by McNatt and Linnen has little relevance to the limitation of claim **26**. The check from AT&T is not a billing statement, is not received with a billing statement, and in fact is not related at all to billing statements. Thus nothing done to the check could be considered *utilizing acceptance indicia on a billing statement*. Similarly, the check from AT&T is also not an offer *for said third party to pay at least a portion of said amount due indicated on a billing statement.*

More generally, the references of record have nothing to do with *offers received with a billing statement*, much less *an offer, received with a billing statement, to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party.*

Group IX

Accordingly, the references do not disclose the limitations of claim **26**, and thus fail to provide the benefits of those limitations, discussed above in section 9.2.

9.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group IX, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The disparate references used in rejecting claim **22** are discussed above with respect to Group VII. Further, as discussed above, the Examiner never provides a motivation to combine any or all of those references, either in the rejection of claim **22** or in the rejection of the claims of Group IX, and thus the rejection of the claims of Group IX likewise lacks the requisite motivation to combine all of the references.

Further, the only motivation provided anywhere in the rejection of the claims of Group IX to modify the references used in the rejection of claim **26** is:

> "[I]t would have been obvious to one having ordinary skill in the art at the time the invention was made to also include a check box on the AT&T check to verify the customer's desire to switch to AT&T. One would have been motivated to include such an acceptance indicia in view of McNatt's discussion of the FCC guidelines to prevent 'slamming'."

(page 10 of Fifth Office Action mailed February 22, 2002, paper no. 20)

Appellants note that the purported 'motivation' of "preventing slamming" as a reason to add the limitation of claim **26** is illogical. First, Linnen discloses that such indicia (as the Examiner considers signing the check to be) **did not prevent** slamming but in fact **was one cause** of slamming. Linnen, page 2, paragraph 4. Second, adding the limitation of *indicia on the billing statement* does not "prevent slamming" because even the embodiment of claim **22** requires *acceptance to be indicated.* If anything, the Examiner seems to argue a reason to *indicate acceptance*, not a reason to *utilize acceptance indicia on the billing statement.* Accordingly, the purported 'motivation' would not motivate the proposed combination of references in a manner which renders claim **26** obvious.

In addition, the Examiner's assertion falls far short of a motivation to combine the references. Bucci is directed to saving postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer. Jermyn is directed to distribution of coupons to be redeemed at point-of-sale systems. McNatt and Linnen deal with the attempts by long distance service providers to acquire new customers. The remaining references are equally disparate and have nothing to do with each other or the Bucci disclosure.

The Examiner's combination of references seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that none of the references of record address or suggest in any way the type of offer contemplated by claims **22** or **26**, and thus the references cannot address or suggest in any way the benefits of indicating acceptance of such an offer *utilizing acceptance indicia on the billing statement.* Many of those references do not discuss offers, billing

statements or acceptance at all. Similarly, none of those references disclose or suggest any way to increase acceptance of offers.

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group IX, none possess the advantages conferred by those limitations, as discussed in detail above in section 9.2 "Advantages of Dependent Claim 26". Accordingly, for at least those reasons, the claims of Group IX are patentable in view of the cited references.

10. The Claims of Group X are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group X includes independent claim **28**.

10.1. Independent Claim 28

Independent claim **28** is directed to a method in which data is received, the data indicating a third party and a maximum amount that the third party will pay for receiving a new customer

A credit card account is selected from a plurality of credit card accounts. The credit card account indicates a customer, an outstanding balance, and a minimum amount due. It is determined whether the minimum amount due is less than or equal to the maximum amount.

A billing statement is sent to the customer. Provided with the billing statement is an offer to the customer to become a customer of the third party.

An acceptance of the offer is received from the customer. The minimum amount due is applied to the credit card account in response to the received acceptance without receiving the minimum amount due from the customer.

10.2. Advantages of Independent Claim 28

The embodiment of claim **28** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

In general, the method of claim **28** is advantageous in that it permits a third party (e.g., a service provider such as a telephone company) to more effectively acquire customers using the billing statement of another entity (e.g. a credit card company).

The method of claim **28** is advantageous because by *providing with the billing statement an offer to the customer to become a customer of the third party*, the offer provided with the billing statement is extremely likely to be seen by individuals. Since the offer is more likely to be seen, it is much more likely to be accepted. Such an offer is more likely to be seen because a billing statement typically includes crucial information (e.g. a total amount due, a minimum

payment amount due). (Specification, page 5, lines 9 – 12). This crucial information requires the customer to open (not discard) the billing statement and to read (not ignore) the billing statement. In contrast, offers sent via direct marketing are unlikely to even be read, much less accepted. (Specification, page 2, lines 8 - 14; page 2, lines 19 - 24; page 3, lines 23 - 24; page 5, lines 11 - 12; and page 6, line 28) Direct marketing offers are so ineffective that a campaign in which "only" 97% of the offers are rejected is considered successful. (Specification, page 2, line 11 – 14)

The method of claim **28** is also advantageous in that *applying the minimum amount due to the credit card account in response to the received acceptance without receiving the minimum amount due from the customer* is highly appealing to the customer, and thus the offer is even more likely to be accepted. The *offer is provided with the billing statement.* Consequently, the individual is notified (probably for the first time) by the billing statement that a particular *minimum amount is due*, and the individual is likewise notified of ability to avoid paying the minimum amount. Thus, the individual has an appealing opportunity to reduce or eliminate that debt **as she is presented with** the demand to pay for that debt herself. Thus, customers are much more likely to accept such offers provided in accordance with the present invention. (Specification, page 2, lines 19 - 24; page 5, lines 13 - 17; page 5, lines 18 – 25) This effect is subtle but extremely powerful - people simply are more likely to accept help when it is offered in conjunction with the need for help. An offer for money is more likely to be accepted by an individual who is presented with a demand for payment due, much like a shopper who is hungry is more likely to purchase more food.

The method of claim **28** is also advantageous because a *credit card account*, to many individuals, is a source of anxiety, and reducing the anxiety that accompanies a credit card account would bring relief to such individuals. Many individuals view their credit card debt as an inescapable source of monthly interest payments. Thus the ability to have *the minimum amount due applied to the credit card account without receiving the minimum amount due from the customer* would be extremely beneficial to such individuals.

The method of claim **28** is also advantageous in that entities may, if desired, create the *offer provided with the billing statement* without substantial additional costs. The second entity

which desires to acquire the individual as a customer may advertise for new customers through direct marketing efforts. (Specification, page 2, lines 1 - 30) Such entities have already expended significant resources in designing, creating and test marketing direct mail materials and other promotional materials. The method of claim **28** is advantageous for such entities in that such promotional materials may be reused, if desired, as the *offer provided with the billing statement* without incurring substantial additional costs of redesigning, recreating and retesting such promotional materials.

The method of claim **28** is also advantageous because the entity to which *the minimum amount due* must be paid can reduce its uncollected payments owed by individuals who accept such offers. (Specification, page 3, lines 7 - 10) Since, in response to the received acceptance of the offer, *the minimum amount due is applied to the credit card account without receiving the minimum amount due from the customer*, *the minimum amount due* is more likely to be paid (i.e., without receiving the minimum amount due from the customer), reducing the chance that the first entity is not paid *the minimum amount due.* Further, since as described above the offers are more likely to be seen and accepted, the reduction in the amount of the first entity's uncollected payments can be substantial.

The method of claim **28** is also advantageous because the entity to which *the minimum amount due* must be paid can receive higher customer activity. Since the individuals may learn that portions of debt can be reduced, they may be encouraged to incur higher amounts due (e.g. through increased purchases from or using the billing entity).

The method of claim **28** is particularly advantageous to people with limited funds, and allows such people to reduce or avoid nonpayment of debt. As described above, with the method of claim **28** *the minimum amount due* is more likely to be paid (i.e., without receiving the minimum amount due from the customer). This is especially helpful to people who have limited funds, and consequently cannot repay all of their bills in a given month or even make the minimum required payments. Such people must prioritize their bills based on the value of the corresponding services. (e.g., pay the telephone bill rather than the cable bill if she feels that telephone service is more important than cable television service). However, if such a person is provided an offer in accordance with the method of claim **28**, she is likely to accept

and have *the minimum amount due applied to the credit card account* though *the minimum amount due* is not received *from the customer*. (Specification, page 5, lines 18 – 25) The person may thus avoid the consequences (e.g. penalty fees, account cancellation, legal action) of not paying the minimum payment amount.

The method of claim **28** is also advantageous because *receiving data that indicates*

> *a third party and*
> *a maximum amount that the third party will pay for receiving a new customer*

allows an entity to perform customized offers for one or more third parties, and can accommodate a wide variety of applicable offers of varying amounts from such third parties. Further, the entity can fashion customized offers at any time, and can update such offers upon receiving new data about the third party.

The method of claim **28** is also advantageous because *receiving data that indicates*

> *a third party and*
> *a maximum amount that the third party will pay for receiving a new customer*

requires a third party to only provide a minimal amount of data indicating itself and the *maximum amount it will pay for receiving a new customer*. Thus even relatively unsophisticated third parties can, with little effort, participate in the method of claim **28**, and realize the benefits thereof.

The method of claim **28** is also advantageous because *determining whether the minimum amount due is less than or equal to the maximum amount* allows customers to be matched with third parties according to the amounts third parties are willing to pay and the customer's minimum amount due. Thus, for example, customers with high debt might be appropriately matched with third parties willing to pay large amounts. This leads to more likely acceptance of such offers, more satisfied third parties and more satisfied customers.

10.3. The References

The Examiner has relied on a combination of several references in the rejection of the claims of Group X. However, none of the references cited by the Examiner, either alone or in combination, disclose or suggest all of the limitations of any claim of Group X.

Section 1.3 above discussed the references used in rejecting the claims of Group X: Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access.

10.4. The Rejection of the Claims of Group X is Flawed

The rejection of the claims of Group X is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group X. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group X can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group X obvious.

10.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

Claim **28** recites the following limitations:

receiving data that indicates
a third party and
a maximum amount that the third party will pay for receiving a new customer

It is unclear from the rejection of claim **28** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

"McNatt, Linnen, Krauss, and Jermyn disclose a method used by AT&T to acquire customers using predetermined criteria as in the above claims [28 and 30]. The method

> receives data from a third party (AT&T) which indicates the amount the third party will pay to receive a new customer (the offer). ... These features have all been discussed in Claims 1-27 above."

(page 11 of Fifth Office Action mailed February 22, 2002, paper no. 20).

However, according to the Examiner's interpretation, the only entity that "receives data" from AT&T is the individual who receives a check from AT&T. This check may indicate how much an individual receives for switching to AT&T's service, but it does not indicate the *maximum amount* that AT&T *will pay for receiving a new customer*. For example, a check from AT&T may be redeemable for $50, though the *maximum amount* that AT&T *will pay for receiving a new customer* is in fact higher (e.g. $100). McNatt supports this by indicating (1) that the face value checks are for a range of values (typically $50 to $100), (2) the average check increased 71% to $72, and (3) one individual received a check for $80 though the average is $72. Clearly, the face values of such checks varies, which means they are all less thn or equal to some (unrevealed) *maximum amount* that AT&T *will pay for receiving a new customer*.

Further, according to the Examiner's interpretation, the entity performing the method of claim **28** (including the step of *receiving data indicating the maximum amount*) is the individual receiving the check. However, this interpretation is clearly illogical because this individual does not perform the other steps of the method, such as selecting a customer account, billing statement to the customer, etc.

The significant advantages of these limitations are discussed in Section 10.2 above. In summary, such an offer is much more likely to be seen, is much more likely to be accepted, may be created without significant additional costs to the second entity, results in higher customer activity to the first entity, and is beneficial to people with limited funds.

The references of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Claim **28** also recites the following limitations:

Group X

> *receiving an acceptance of the offer [that was provided with the billing statement] from the customer*

It is unclear from the rejection of claim **28** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following (used in the rejection of claim **1**, which the Examiner indirectly refers to in the rejection of claim **28**):

> "McNatt discloses a system and method used by AT&T to acquire customers by providing an acquisition offer (check) to the potential customer if they switched to AT&T as their long distance carrier."
>
> and
>
> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; pages 2 - 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

Thus, as best as Appellants understand the Examiner's reasoning, the limitation in claim **28** of

> *receiving an acceptance of the offer [that was provided with the billing statement] from the customer*

is disclosed or suggested by (1) McNatt's disclosure of cashing a check mailed by AT&T to entice individuals to become a customer of AT&T's long distance service, and / or (2) Crosskey's disclosure of clicking on an advertisement from an advertiser which absorbs the accessing cost for the user.

Group X

As discussed above, the references of record, alone or in combination, do not disclose or suggest an *offer provided with the billing statement*, and thus the references cannot disclose or suggest that *an acceptance of such an offer provided with the billing statement* would be received *from the individual.*

In particular, in McNatt the check from AT&T is mailed to the individual; the check is not provided with *a billing statement from a first entity.*

Similarly, in Crosskey the Examiner apparently considers the advertisement to be *an offer to the customer to become a customer of the third party*, and clicking on an advertisement to be *an acceptance of the offer.* However, as discussed above, in Crosskey the advertisement cannot be *an offer to become a customer of the third party* because clicking on the advertisement does not and cannot in any way make the individual *become a customer of* the advertiser. Thus clicking on the advertisement cannot be considered *receiving acceptance of the offer [to become a customer of the third party].* The user clicking on an advertisement merely accesses the web page of the advertiser, and is not made a customer thereof.

In addition, as discussed above, in Crosskey the advertisement cannot be *an offer [that was provided with the billing statement]* since in Crosskey the bill is generated **after** the user has accessed advertisements which result in a credit to the user's bill. Accordingly, the advertisements of Crosskey are clearly not *provided with the billing statement* since the total bill in Crosskey is calculated **after** the user has accessed those advertisements.

Thus, neither McNatt, Crosskey nor any other reference of record discloses or suggests

> *receiving an acceptance of the offer [that was provided with the billing statement] from the customer*

The significant advantages of these limitations are discussed in Section 10.2 above. In summary, such an acceptance of such an offer both (1) provides clear legal acceptance of the individual's obligation to become a customer of the second entity, and (1) clearly imposes the requirement on the second entity to fulfill its agreement to pay at least a portion of an amount due on the billing statement.

McNatt, Crosskey and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Claim **28** also recites the following limitations:

> *determining whether the minimum amount due[of credit card account] is less than or equal to the maximum amount [that the third party will pay for receiving a new customer]*

It is unclear from the rejection of claim **28** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

> "As discussed above, it would have been obvious for AT&T to set a maximum amount that the offer would pay and to transfer an amount equal to the minimum payment to the billing party. One would have been motivated to apply the minimum amount (or greater) to the customer's credit card account in order to avoid customer confusion by obviating the need for the customer to also transmit a payment to the billing party after calculating the difference between any lesser payment by AT&T and the required minimum payment."

(page 11 of Fifth Office Action mailed February 22, 2002, paper no. 20)

As best as Appellants can understand this reasoning, it has nothing to do with the actual recited limitation of

> *determining whether the minimum amount due is less than or equal to the maximum amount [that the third party will pay for receiving a new customer]*

First, the references, and particularly the disclosures relating to AT&T, have nothing to do with *minimum amounts due of a credit card account.* Second, despite the Examiner's implication, the references do not disclose that AT&T in any way used external factors (such as a *minimum amount due*) as criteria for anything.

The significant advantages of these limitations are discussed in Section 10.2 above. In summary, such a limitation allows customers to be matched with third parties according to the

amounts third parties are willing to pay and the customer's minimum amount due, leading to more likely acceptance of such offers, more satisfied third parties and more satisfied customers

The prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Claim **28** also recites the following limitations:

> *applying the minimum amount due to the credit card account in response to the received acceptance without receiving the minimum amount due from the customer.*

It is unclear from the rejection of claim **28** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following (used in the rejection of claim **1**, which the Examiner indirectly refers to in the rejection of claim **28**):

> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; pages 2 - 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

As best as Appellants can understand this reasoning, it has nothing to do with the actual recited limitation of

> *applying the minimum amount due to the credit card account in response to the received acceptance without receiving the minimum amount due from the customer.*

The references, and particularly Crosskey, have nothing to do with *minimum amounts due of a credit card account.*

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The significant advantages of these limitations are discussed in Section 10.2 above. In summary, such a limitation allows a minimum amount due on a credit card account to be paid by another, which is beneficial to the credit card account holder, the credit card issuer and the offeror.

The prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

10.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group X, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The references used in rejecting the claims of the Group, discussed more thoroughly in Section 1.3, are summarized below:

Krauss	a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
McNatt	AT&T attempted to attract new customers by mailing checks which, if cashed, make the cashing individual a customer of AT&T's long distance service
Linnen	customers receive checks which upon endorsement switched their long-distance service to Sonic Communications

Group X

	distance service to Sonic Communications
Crosskey	Advertisers pay a part of the access charge of customers who access their advertisements
Bucci	many mailable materials from different entities are combined into a single package for mailing to an addressee, reducing postage
Schumacher	A data center pairs publishers with printers, and can consolidate jobs of certain publishers with a single printer
Goldberg (not prior art)	Like Krauss, a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
Wall Street Access	customers who trade actively with Wall Street Access have their real-time data fees paid by Wall Street Access

It is noteworthy that the Examiner never provides a motivation to combine any or all of Krauss, McNatt, Linnen, Crosskey, Goldberg and Wall Street Access with each other. Accordingly, the rejection fails at least because these references are not properly combinable.

Further, the only motivation provided anywhere in the rejection of the claims of Group X is limited to the unsupported assertion of a reason to modify unnamed references:

> "[I]t would have been obvious to one having ordinary skill at the time the invention was made that the offer could be inserted in any billing statement to include credit card billing statements. As discussed above, it would have been obvious for AT&T to set a maximum amount that the offer would pay and to transfer an amount equal to the minimum payment to the billing party. One would have been motivated to apply the minimum amount (or greater) to the customer's credit card account in order to avoid customer confusion by obviating the need for the customer to also transmit a payment to the billing party after calculating the difference between any lesser payment by AT&T and the required minimum payment."

(page 11 of Fifth Office Action mailed February 22, 2002, paper no. 20)

This falls far short of a motivation to combine and modify the systems disclosed in the references in the manner proposed. Bucci is directed to saving postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer. McNatt and Linnen deal with the attempts by long distance service providers to acquire new customers. The remaining

references are equally disparate and have nothing to do with each other or the Bucci and Schumacher disclosures.

Appellants respectfully suggest that this motivation (i.e., in order to avoid customer confusion by obviating the need for the customer to also transmit a payment to the billing party after calculating the difference between any lesser payment by AT&T and the required minimum payment) is not suggested by the prior art. At worst, it is not even accomplished by the purported combination of references.

The Examiner's combination and modification of references seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that none of the references address or suggest in any way the need or desirability "to avoid customer confusion by obviating the need for the customer to also transmit a payment to the billing party after calculating the difference between any lesser payment by AT&T and the required minimum payment". This is likely because none of the references disclose or suggest any way to do so, nor the desirability of doing so. The references do not at all discuss customer confusion or differences between payments and minimum required payments amounts.

In addition to not providing a motivation to combine these references, the proposed motivation or benefit for the combination ("to avoid customer confusion") still fails to recognize the limitations that are actually recited:

> *determining whether the minimum amount due[of credit card account] is less than or equal to the maximum amount [that the third party will pay for receiving a new customer]*

and

Group X

applying the minimum amount due to the credit card account in response to the received acceptance without receiving the minimum amount due from the customer.

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group X, none possess the advantages conferred by those limitations, as discussed in detail above in section 10.2 "Advantages of Claim 28". Accordingly, for at least those reasons, the claims of Group X are patentable in view of the cited references.

11. The Claims of Group XI are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group XI includes independent claim **29**.

11.1. Independent Claim 29

Independent claim **19** is directed to a method, in which a customer account record of a first entity is identified. The customer account record includes a customer identifier and an amount due.

It is determined if an individual indicated by the customer identifier is a customer of a second entity. An offer is provided via a billing statement to the individual to pay at least a portion of the amount due if the individual becomes a customer of the second entity

11.2. Advantages of Independent Claim 29

The embodiment of claim **29** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

In general, the method of claim **29** is advantageous in that it permits an entity (e.g., a service provider such as a telephone company) to more effectively acquire customers using the billing statement of another entity (e.g. a credit card company).

The method of claim **29** is advantageous because by *providing an offer via a billing statement to said individual to pay at least a portion of said amount due*, the offer provided via the billing statement is extremely likely to be seen by individuals. Since the offer is more likely to be seen, it is much more likely to be accepted. Such an offer is more likely to be seen because a billing statement typically includes crucial information (e.g. a total amount due, a minimum payment amount due). (Specification, page 5, lines 9 – 12). This crucial information requires the customer to open (not discard) the billing statement and to read (not ignore) the billing statement. In contrast, offers sent via direct marketing are unlikely to even be read, much less accepted. (Specification, page 2, lines 8 - 14; page 2, lines 19 - 24; page 3, lines 23 -

24; page 5, lines 11 - 12; and page 6, line 28) Direct marketing offers are so ineffective that a campaign in which "only" 97% of the offers are rejected is considered successful. (Specification, page 2, line 11 – 14)

The method of claim **29** is also advantageous in that *an offer to pay at least a portion of said amount due* is highly appealing to the individual, and thus the offer is even more likely to be accepted. The *offer is provided via the billing statement.* Consequently, the individual is notified (probably for the first time) by the billing statement that a particular *amount is due*, and the individual is likewise notified of *the offer to pay at least a portion of this amount due.* Thus, the individual has an appealing opportunity to reduce or eliminate that debt **as she is presented with** the demand to pay for that debt herself. Thus, customers are much more likely to accept such offers provided in accordance with the present invention. (Specification, page 2, lines 19 - 24; page 5, lines 13 - 17; page 5, lines 18 – 25) This effect is subtle but extremely powerful - people simply are more likely to accept help when it is offered in conjunction with the need for help. An offer for money is more likely to be accepted by an individual who is presented with a demand for payment due, much like a shopper who is hungry is more likely to purchase more food.

The method of claim **29** is also advantageous in that entities may, if desired, create the *offer provided via the billing statement* without substantial additional costs. The second entity which desires to acquire the individual as a customer may advertise for new customers through direct marketing efforts. (Specification, page 2, lines 1 - 30) Such entities have already expended significant resources in designing, creating and test marketing direct mail materials and other promotional materials. The method of claim **29** is advantageous for such entities in that such promotional materials may be reused, if desired, as the *offer provided via the billing statement* without incurring substantial additional costs of redesigning, recreating and retesting such promotional materials.

The method of claim **29** is also advantageous because the entity to which *the amount due* must be paid can reduce its uncollected payments owed by individuals who accept such offers. (Specification, page 3, lines 7 - 10) Since the offer is *to pay at least a portion of the amount due, the amount due* is more likely to be paid (i.e., not by the individual), reducing the

chance that the first entity is not paid *the amount due*. Further, since as described above the offers are more likely to be seen and accepted, the reduction in the amount of the first entity's uncollected payments can be substantial.

The method of claim **29** is also advantageous because the entity to which *the amount due* must be paid can receive higher customer activity. Since the individuals may learn that portions of debt can be reduced, they may be encouraged to incur higher amounts due (e.g. through increased purchases from or using the billing entity).

The method of claim **29** is particularly advantageous to people with limited funds, and allows such people to reduce or avoid nonpayment of debt. As described above, with the method of claim **29** *the amount due* is more likely to be paid (i.e., not by the individual). This is especially helpful to people who have limited funds, and consequently cannot repay all of their bills in a given month or even make the minimum required payments. Such people must prioritize their bills based on the value of the corresponding services. (e.g., pay the telephone bill rather than the cable bill if she feels that telephone service is more important than cable television service). However, if such a person is provided an offer in accordance with the method of claim **1**, she is likely to accept and have *at least a portion of the amount due paid.* (Specification, page 5, lines 18 – 25) The person may thus avoid the consequences (e.g. penalty fees, account cancellation, legal action) of not paying, e.g., the minimum payment amount.

The method of claim **29** is also advantageous because *determining if an individual indicated by said customer identifier is a customer of a second entity* allows offers to be more specifically targeted. For example, an offer to become a customer of a particular entity may be withheld from a customer who is already a customer of that entity. Thus, an offer (and the benefits thereof) need not be provided without the reciprocal benefit to the second entity of acquiring a new customer.

11.3. The references

The Examiner has relied on a combination of several references in the rejection of the claims of Group XI. However, none of the references cited by the Examiner, either alone or in combination, disclose or suggest all of the limitations of any claim of Group XI.

Section 1.3 above discussed the references used in rejecting the claims of Group XI: Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access.

11.4. The Rejection of the Claims of Group XI is Flawed

The rejection of the claims of Group XI is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group XI. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group XI can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group XI obvious.

11.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

A reading of the rejection of claim **29** reveals that the Examiner has consistently ignored various limitations of claim **29**. Most revealing is the Examiner's repeated assertion in support of the rejection of claim **29** and other claims:

> "This [Wall Street Access reference], once again, demonstrates the wide spread [sic] use of the marketing technique of a second party directly paying a portion of a user's bill owed to a first party when the user becomes a customer of the second party **as Applicant is claiming**." (emphasis added)

(page 5 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 4 of Fourth Office Action mailed July 24, 2001, paper no. 16). Apparently, the Examiner has simplistically grouped several of the pending claims (including claim **29**) under the rubric of merely reciting that a second party pays "a portion of a user's bill owed to a first party when the user becomes a customer of the second party".

Thus, the Examiner's understanding of claim **29** (and apparently several other claims as well) is to ignore several recited limitations of claim **29**, despite Appellants' repeated arguments to the contrary.

In particular, claim **29** recites the following limitations:

> *providing an offer via a billing statement to said individual to pay at least a portion of said amount due if said individual becomes a customer of said second entity*

It is unclear from the rejection of claim **29** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

However, in Crosskey there is no *offer which is provided via the billing statement*, nor *an offer to said individual to pay at least a portion of said amount due if said individual becomes a customer of said second entity.*

Group XI

As described in Section 1.3.4 above, Crosskey discloses that only "[a]fter all the log records are processed" is "the total bill for each customer and for any other party responsible for payment" calculated. (step 205 of fig 2a; Col. 11, lines 32 – 35) Therefore, in Crosskey the bill (which is for page accesses) is generated **after** the user has accessed advertisements and other pages which result in a credit to the user's bill. Accordingly, to the extent the Examiner seems to imply that the advertisements of Crosskey to be '*an offer*' (which it is not), these advertisements are clearly not *provided via the billing statement* since the total bill in Crosskey is calculated **after** the user has accessed those advertisements.

Thus, neither Crosskey nor any other reference of record discloses or suggests

> *an offer which is provided via the billing statement*

much less

> *providing an offer via a billing statement to said individual to pay at least a portion of said amount due if said individual becomes a customer of said second entity*

The significant advantages of these limitations are discussed in Section 11.2 above. In summary, such an offer is much more likely to be seen, is much more likely to be accepted, may be created without significant additional costs to the second entity, results in higher customer activity to the first entity, and is beneficial to people with limited funds.

Crosskey and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Claim **29** also recites the following limitations:

> *determining if an individual indicated by said customer identifier [which is included in a customer account record] is a customer of a second entity*

It is unclear from the rejection of claim **29** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following:

> "Official Notice is taken that the use of the customer database of a third party as a resource for potential customers which is cross-checked with the business' own customer database is also well known (for support of this Official Notice see Schumacher et al (5,060,165) col 7, line 67 – col 8, line 15). Official Notice is taken that it is also well known to identify customers within the database using a customer id, such as an account number, social security number, etc. (for support of this Official Notice see Bucci, col 2, lines 42 – 47)"

(Page 6, paragraph 1 of Fifth Office Action mailed February 22, 2002, paper no. 20; pages 4 and 5 of Fourth Office Action mailed July 24, 2001, paper no. 16)

As discussed above in Section 1.3.6, Schumacher is devoid of any disclosure or suggestion to determine *if an individual ... from a customer account database of a first entity is a customer of a second entity.* Schumacher discloses that users may upload user mailing lists to the data center, which sanitizes the mailing address list and returns it to the user. (Col. 7, lines 46 – 55) The data center can also provide the actual mailing service for the small business, including printing, inserting into the envelopes, addressing and distributing. (Col. 8, lines 2 – 7) Also, demographic analysis can be done on the user's mailing list to identify additional customers who would fall into similar categories and are not yet being serviced by the small business. Moreover, by demographics analysis, other business opportunities for customers of the type serviced by the small business can be identified and provided to the user. (Col. 8, lines 11 – 18)

Thus Schumacher does not disclose that there are two entities: one entity which an individual is a customer of, and a **second entity for which it is determined if the individual is a customer**. In Schumacher the two entities under consideration are the user and the data center. Even if the mailing list did contain customers of the user (which is not clearly indicated in the reference), there is no *determining if an individual* on the mailing list *is a customer of* the data center. This clearly would serve no purpose in Schumacher.

Thus, neither Schumacher nor any other reference of record discloses or suggests

> *determining if an individual indicated by said customer identifier [which is included in a customer account record] is a customer of a second entity*

The significant advantages of these limitations are discussed in Section 11.2 above. In summary, such an offer allows offers according to the method of claim 1 to be more specifically targeted.

Schumacher and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

11.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group XI, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The references used in rejecting the claims of the Group, discussed more thoroughly above in Section 1.3, are summarized below:

Krauss	a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
McNatt	AT&T attempted to attract new customers by mailing checks which, if cashed, make the cashing individual a customer of AT&T's long distance service
Linnen	customers receive checks which upon endorsement switched their long-distance service to Sonic Communications

Crosskey	Advertisers pay a part of the access charge of customers who access their advertisements
Bucci	many mailable materials from different entities are combined into a single package for mailing to an addressee, reducing postage
Schumacher	A data center pairs publishers with printers, and can consolidate jobs of certain publishers with a single printer
Goldberg (not prior art)	Like Krauss, a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
Wall Street Access	customers who trade actively with Wall Street Access have their real-time data fees paid by Wall Street Access

It is noteworthy that the Examiner never provides a motivation to combine any or all of Krauss, McNatt, Linnen, Crosskey, Goldberg and Wall Street Access with each other. Accordingly, the rejection fails at least because these references are not properly combinable.

Further, the only motivation provided anywhere in the rejection of the claims of Group XI is limited to the features of Bucci and Schumacher with (apparently though not explicitly) the "AT&T" references of McNatt and Linnen:

> "[I]t would have been obvious to one having ordinary skill in the art at the time the invention was made that AT&T would select an individual who was not a current customer as the recipient of their acquisition offer (check) and to make this selection by comparing AT&T's customer database with another customer database. One would have been motivated to select the potential customer in this manner in order to reduce the overall cost of the marketing program by eliminating such offers to present customers."

(page 6 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 4 of Fourth Office Action mailed July 24, 2001, paper no. 16; page 4 of Third Office Action mailed November 20, 2000, paper no. 13; page 5 of Second Office Action mailed august 20, 2000, paper no. 8; page 5 of First Office Action mailed March 30, 2000, paper no. 4)

This falls far short of a motivation to combine the systems disclosed in Bucci and Schumacher with the systems disclosed in the remaining references. Bucci is directed to saving postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer.

McNatt and Linnen deal with the attempts by long distance service providers to acquire new customers. The remaining references are equally disparate and have nothing to do with each other or the Bucci and Schumacher disclosures.

Appellants respectfully suggest that this motivation (i.e., in order to reduce the overall cost of the marketing program by **eliminating such offers** to present customers) is not suggested by the prior art. At worst, it is not even accomplished by the purported combination of references.

The Examiner's combination of Bucci and Schumacher with McNatt and Linnen seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that neither Bucci and Schumacher nor McNatt and Linnen address or suggest in any way the need or desirability "to reduce the overall cost of the marketing program by **eliminating such offers** to present customers". This is likely because none of the references disclose or suggest any way to do so, nor the desirability of doing so. Many references do not discuss offers at all.

In addition to not providing a motivation to combine these references, the proposed motivation or benefit for the combination ("to reduce the overall cost of the marketing program by **eliminating such offers** to present customers") still fails to recognize the limitations that are actually recited:

> *determining if an individual indicated by said customer identifier [which is included in a customer account record] is a customer of a second entity*

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group XI, none possess the advantages conferred by those limitations, as discussed in

detail above in section 11.2 "Advantages of Claim 29". Accordingly, for at least those reasons, the claims of Group XI are patentable in view of the cited references.

12. The Claims of Group XII are Allowable Over the Cited References

SEPARATE ARGUMENT OF PATENTABILITY

Group XII includes independent claim **30**.

12.1. Independent Claim 30

Independent claim **30** is directed to a method in which a billing statement is sent to an existing customer of a first entity. The billing statement includes at least one amount due, and also includes an offer to the customer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due.

An acceptance of the offer is received from the customer, and the minimum amount due is applied to the billing statement in response after receiving the acceptance.

12.2. Advantages of Independent Claim 30

The embodiment of claim **30** provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination.

In general, the method of claim **30** is advantageous in that it permits an entity (e.g., a service provider such as a telephone company) to more effectively acquire customers using the billing statement of another entity (e.g. a credit card company).

The method of claim **30** is advantageous because a billing statement which includes *an offer to the customer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due [included in the billing statement]*, the offer included in the billing statement is extremely likely to be seen by individuals. Since the offer is more likely to be seen, it is much more likely to be accepted. Such an offer is more likely to be seen because a billing statement typically includes crucial information (e.g. a total amount due, a minimum payment amount due). (Specification, page 5, lines 9 – 12). This crucial information requires the customer to open (not discard) the billing statement and to read (not ignore) the billing statement. In contrast, offers sent via direct marketing are unlikely to even be read, much less accepted. (Specification, page 2, lines 8 - 14; page 2, lines 19 - 24; page 3, lines 23 -

24; page 5, lines 11 - 12; and page 6, line 28) Direct marketing offers are so ineffective that a campaign in which "only" 97% of the offers are rejected is considered successful. (Specification, page 2, line 11 – 14)

The method of claim **30** is also advantageous in that *offer to pay at least a portion of the at least one amount due [included in the billing statement]* is highly appealing to the individual, and thus the offer is even more likely to be accepted. The *offer is included in the billing statement*. Consequently, the individual is notified (probably for the first time) by the billing statement that a particular *amount is due*, and the individual is likewise notified of *the offer to pay at least a portion of this amount due*. Thus, the individual has an appealing opportunity to reduce or eliminate that debt **as she is presented with** the demand to pay for that debt herself. Thus, customers are much more likely to accept such offers provided in accordance with the present invention. (Specification, page 2, lines 19 - 24; page 5, lines 13 - 17; page 5, lines 18 – 25) This effect is subtle but extremely powerful - people simply are more likely to accept help when it is offered in conjunction with the need for help. An offer for money is more likely to be accepted by an individual who is presented with a demand for payment due, much like a shopper who is hungry is more likely to purchase more food.

The method of claim **30** is also advantageous in that entities may, if desired, create the *offer included in the billing statement* without substantial additional costs. The second entity which desires to acquire the individual as a customer may advertise for new customers through direct marketing efforts. (Specification, page 2, lines 1 - 30) Such entities have already expended significant resources in designing, creating and test marketing direct mail materials and other promotional materials. The method of claim **30** is advantageous for such entities in that such promotional materials may be reused, if desired, as the *offer included in the billing statement* without incurring substantial additional costs of redesigning, recreating and retesting such promotional materials.

The method of claim **30** is also advantageous because the entity to which *the at least one amount due* must be paid can reduce its uncollected payments owed by individuals who accept such offers. (Specification, page 3, lines 7 - 10) Since the offer is *to pay at least a portion of that amount due, the amount due* is more likely to be paid (i.e., not by the

individual), reducing the chance that the first entity is not paid *the amount due*. Further, since as described above the offers are more likely to be seen and accepted, the reduction in the amount of the first entity's uncollected payments can be substantial.

In addition, the method of claim **30** is also advantageous because if *billing statement includes the offer* it is virtually impossible for the individual to ignore it. Further, if *billing statement includes the offer* then the offer cannot be misplaced or lost separately from the billing statement (e.g. if the customer takes time to decide whether to accept the offer).

The method of claim **30** is also advantageous because the entity to which *the amount due* must be paid can receive higher customer activity. Since the individuals may learn that portions of debt can be reduced, they may be encouraged to incur higher amounts due (e.g. through increased purchases from or using the billing entity).

The method of claim **30** is particularly advantageous to people with limited funds, and allows such people to reduce or avoid nonpayment of debt. As described above, with the method of claim **30** *the amount due* is more likely to be paid (i.e., not by the individual but by the second entity). This is especially helpful to people who have limited funds, and consequently cannot repay all of their bills in a given month or even make the minimum required payments. Such people must prioritize their bills based on the value of the corresponding services. (e.g., pay the telephone bill rather than the cable bill if she feels that telephone service is more important than cable television service). However, if such a person is provided an offer in accordance with the method of claim **30**, she is likely to accept and have *at least a portion of the at least one amount due paid.* (Specification, page 5, lines 18 – 25) The person may thus avoid the consequences (e.g. penalty fees, account cancellation, legal action) of not paying.

The method of claim **30** is also advantageous because *receiving acceptance of the offer from said customer* provides clear legal acceptance of the individual's obligation to become a customer of the second entity.

12.3. The references

GROUP XII

The Examiner has relied on a combination of several references in the rejection of the claims of Group XII. However, none of the references cited by the Examiner, either alone or in combination, disclose or suggest all of the limitations of any claim of Group I.

Section 1.3 above discussed the references used in rejecting the claims of Group X: Krauss, McNatt, Linnen, Crosskey, Bucci, Schumacher, and possibly (though not clearly) Goldberg and Wall Street Access.

12.4. The Rejection of the Claims of Group XII is Flawed

The rejection of the claims of Group XII is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group XII. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group XII can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group XII obvious.

12.4.1. The References Do Not Disclose or Suggest All the Limitations of Any Claim

In particular, claim **30** recites the following limitations:

> *sending a billing statement to an existing customer of a first entity, the billing statement including an offer to the customer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due*

It is unclear from the rejection of claim **30** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the

following (used in the rejection of claim **1**, which the Examiner indirectly refers to in the rejection of claim **28)**:

> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

However, in Crosskey there is no *offer which is included in the billing statement*, much less *an offer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due.*

As described in Section 1.3.4 above, Crosskey discloses that only "[a]fter all the log records are processed" is "the total bill for each customer and for any other party responsible for payment" calculated. (step 205 of fig 2a; Col. 11, lines 32 – 35) Therefore, in Crosskey the bill (which is for page accesses) is generated **after** the user has accessed advertisements and other pages which result in a credit to the user's bill. Accordingly, to the extent the Examiner seems to imply that the advertisements of Crosskey to be '*an offer*' (which it is not), these advertisements are clearly not *included in the billing statement* since the total bill in Crosskey is calculated **after** the user has accessed those advertisements.

Thus, neither Crosskey nor any other reference of record discloses or suggests

> *a billing statement which includes an offer*

much less

> *an offer to the customer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due.*

The significant advantages of these limitations are discussed in Section 12.2 above. In summary, such an offer is much more likely to be seen, is much more likely to be accepted, may be created without significant additional costs to the second entity, results in higher customer activity to the first entity, is beneficial to people with limited funds.

Crosskey and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Claim **30** also recites the following limitations:

> *applying the minimum amount due to the billing statement in response after receiving the acceptance [of the offer from the customer]*

It is unclear from the rejection of claim **30** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following (used in the rejection of claim **1**, which the Examiner indirectly refers to in the rejection of claim **30**):

> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; pages 2 - 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

As best as Appellants can understand this reasoning, it has nothing to do with the actual recited limitation of

> *applying the minimum amount due to the billing statement in response after receiving the acceptance [of the offer from the customer]*

The references, and particularly Crosskey, have nothing to do with *minimum amounts due of a billing statement.*

The significant advantages of these limitations are discussed in Section 12.2 above. In summary, such a limitation allows a minimum amount due to be paid by another, which is beneficial to the credit card account holder, the credit card issuer and the offeror.

The prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

Claim **30** also recites the following limitations:

receiving acceptance of the offer [that the billing statement includes] from the customer

It is unclear from the rejection of claim **30** which reference, combination of references, or modification of references is offered as disclosing or suggesting these limitations. It is revealing that the Examiner has never directly reiterated this limitation in any Office Action. As best as Appellants understand the rejection, the closest such assertion would be the following (used in the rejection of claim **1**, which the Examiner indirectly refers to in the rejection of claim **28)**:

> "McNatt discloses a system and method used by AT&T to acquire customers by providing an acquisition offer (check) to the potential customer if they switched to AT&T as their long distance carrier."
>
> and
>
> "Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18 – 38). Crosskey further discloses that the ISP could receive a 'bonus' payment if the user actually purchases an item from the advertiser (col 8, line 66 – col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the customer becomes a customer of the advertiser"

(page 4 of Fifth Office Action mailed February 22, 2002, paper no. 20; pages 2 - 3 of Fourth Office Action mailed July 24, 2001, paper no. 16).

Thus, as best as Appellants understand the Examiner's reasoning, the limitation in claim **30** of

> *receiving acceptance of the offer from the customer [in which the offer the billing statement includes is an offer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due]*

is disclosed or suggested by (1) McNatt's disclosure of cashing a check mailed by AT&T to entice individuals to become a customer of AT&T's long distance service, and / or (2) Crosskey's disclosure of clicking on an advertisement from an advertiser which absorbs the accessing cost for the user.

As discussed above, the references of record, alone or in combination, do not disclose or suggest an *offer included in the billing statement*, much less an offer as claimed in claim **30**, and thus cannot disclose or suggest that *an acceptance of such an offer which is included in the billing statement* would be received *from the customer.*

In particular, in McNatt the check from AT&T is mailed to the individual; the check is not included in *a billing statement*, and is not *an offer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due.*

Similarly, in Crosskey the Examiner apparently considers the advertisement to be *an offer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due*, and clicking on an advertisement to be *an acceptance of the offer.* However, as discussed above, in Crosskey the advertisement cannot be *an offer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due* because clicking on the advertisement does not and cannot in any way make the individual *become a customer of* the advertiser. Thus clicking on the advertisement cannot be considered *receiving acceptance of the offer from the customer [in which the offer the billing statement includes is an offer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due].* The user clicking on an advertisement merely accesses the web page of the advertiser, and is not made a customer thereof.

In addition, as discussed above, in Crosskey the advertisement cannot be *an offer [included in the billing statement]* since in Crosskey the bill is generated **after** the user has

accessed advertisements which result in a credit to the user's bill. Accordingly, the advertisements of Crosskey are clearly not *provided with the billing statement* since the total bill in Crosskey is calculated **after** the user has accessed those advertisements.

Thus, neither McNatt, Crosskey nor any other reference of record discloses or suggests

receiving acceptance of the offer from the customer [in which the offer the billing statement includes is an offer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due]

The significant advantages of these limitations are discussed in Section 12.2 above. In summary, such an acceptance of such an offer both (1) provides clear legal acceptance of the individual's obligation to become a customer of the second entity, and (1) clearly imposes the requirement on the second entity to fulfill its agreement to pay at least a portion of an amount due on the billing statement.

McNatt, Crosskey and the other prior art of record, alone or in combination, do not confer these advantages, and the Examiner has not asserted otherwise.

12.4.2. The Prior Art of Record Does Not Provide a Motivation to Combine or Modify the References

Further, if any of the references did disclose or suggest any of the limitations recited by the claims of Group XII, which they do not, the references may not properly be combined with the other references in a manner that renders the claims obvious. There is absolutely no motivation in the prior art to modify or combine the disparate references in the way suggested by the Examiner, or in any other manner that renders the claims obvious. In fact, the Examiner has not even provided a motivation to combine all of the references used in the rejection.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

The references used in rejecting the claims of the Group, discussed more thoroughly in Section 1.3, are summarized below:

Krauss	a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
McNatt	AT&T attempted to attract new customers by mailing checks which, if cashed, make the cashing individual a customer of AT&T's long distance service
Linnen	customers receive checks which upon endorsement switched their long-distance service to Sonic Communications
Crosskey	Advertisers pay a part of the access charge of customers who access their advertisements
Bucci	many mailable materials from different entities are combined into a single package for mailing to an addressee, reducing postage
Schumacher	A data center pairs publishers with printers, and can consolidate jobs of certain publishers with a single printer
Goldberg (not prior art)	Like Krauss, a customer who desires to purchase cellular telephone service from a service provider receives from the service provider a subsidy on the price of a cellular telephone that must be purchased in order to enjoy that service
Wall Street Access	customers who trade actively with Wall Street Access have their real-time data fees paid by Wall Street Access

It is noteworthy that the Examiner never provides a motivation to combine any or all of Krauss, McNatt, Linnen, Crosskey, Goldberg and Wall Street Access with each other. Accordingly, the rejection fails at least because these references are not properly combinable.

Further, the only motivation provided anywhere in the rejection of the claims of Group XII is limited to the features of Bucci and Schumacher with (apparently though not explicitly) the "AT&T" references of McNatt and Linnen:

> "[I]t would have been obvious to one having ordinary skill in the art at the time the invention was made that AT&T would select an individual who was not a current customer as the recipient of their acquisition offer (check) and to make this selection by comparing AT&T's customer database with another customer database. One would have been motivated to select the potential customer in this manner in order to reduce the overall cost of the marketing program by eliminating such offers to present customers."

(page 6 of Fifth Office Action mailed February 22, 2002, paper no. 20; page 4 of Fourth Office Action mailed July 24, 2001, paper no. 16; page 4 of Third Office Action mailed November 20, 2000, paper no. 13; page 5 of Second Office Action mailed august 20, 2000, paper no. 8; page 5 of First Office Action mailed March 30, 2000, paper no. 4)

This falls far short of a motivation to combine the systems disclosed in Bucci and Schumacher with the systems disclosed in the remaining references. Bucci is directed to saving postage by combining mailings from different entities. Schumacher similarly is directed to saving resources by, e.g. consolidating print jobs from various publishers with a single printer. McNatt and Linnen deal with the attempts by long distance service providers to acquire new customers. The remaining references are equally disparate and have nothing to do with each other or the Bucci and Schumacher disclosures.

Appellants respectfully suggest that this motivation (i.e., in order to reduce the overall cost of the marketing program by **eliminating such offers** to present customers) is not suggested by the prior art. At worst, it is not even accomplished by the purported combination of references.

The Examiner's combination of Bucci and Schumacher with McNatt and Linnen seems to use impermissible hindsight reconstruction absent some real and specific teaching, suggestion, or motivation in the prior art. Appellants note that care must be taken to not use "the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." In re Dembiczak (No. 98-1498) (Fed. Cir. 1999); Interconnect Planning Corp. v. Feil, 227 USPQ 543, 547 (Fed. Cir. 1985). In other words, the teaching to make the claimed combination must be found in the prior art, and cannot be based on an applicant's disclosure. MPEP 2143.01. In re Mills, 16 USPQ2d 1430, 1432 (Fed. Cir. 1990).

Appellants note that neither Bucci and Schumacher nor McNatt and Linnen address or suggest in any way the need or desirability "to reduce the overall cost of the marketing program by **eliminating such offers** to present customers". This is likely because none of the references disclose or suggest any way to do so, nor the desirability of doing so. Many references do not discuss offers at all.

GROUP XII

In addition to not providing a motivation to combine these references, the proposed motivation or benefit for the combination ("to reduce the overall cost of the marketing program by **eliminating such offers** to present customers") still fails to recognize any of the recited limitations of claim **30**.

In conclusion, since none of the references disclose or suggest the limitations of the claims of Group XII, none possess the advantages conferred by those limitations, as discussed in detail above in section 12.2 "Advantages of Claim 30". Accordingly, for at least those reasons, the claims of Group XII are patentable in view of the cited references.

CONCLUSION

Thus, the Examiner's rejection of the pending claims are is improper at least because the references, alone or in combination, do not disclose or suggest all the limitations of any claim. In addition, in the obviousness rejections the Examiner has improperly combined the references because there is no adequate reasoning or support in the prior art for making the proposed combination. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Dean Alderucci using the information provided below.

Appellants hereby request any extension of time that may be required to make this Appeal Brief timely. Please charge any fees that may be required for this paper, or credit any overpayment, to Deposit Account No. 50-0271.

Respectfully submitted,

February 24, 2003
Date

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APPENDIX A

CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

1. A computerized customer acquisition method comprising the steps of:

selecting a customer account record from an electronic customer account database of a first entity, said customer account record including a customer identifier;

determining if an individual indicated by said customer identifier is a customer of a second entity;

sending a billing statement from the first entity to said individual;

providing with the billing statement an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity;

receiving acceptance of said offer from said individual; and

acquiring the individual as a customer by transferring said at least a portion of said amount to the first entity by the second entity.

2. The method of claim 1, further comprising the step of determining whether said individual satisfies predefined criteria for receiving said offer.

3. The method of claim 2, wherein said predefined criteria includes geographic conditions.

4. The method of claim 2, wherein said predefined criteria includes demographic conditions.

5. The method of claim 2, wherein said predefined criteria includes financial conditions.

6. The method of claim 1, wherein said customer account record further indicates an amount due and said method further comprises the step of determining whether said amount due satisfies predefined criteria for receiving said acquisition offer.

7. The method of claim 6, wherein said amount due is less than or equal to a maximum amount specified by said second entity.

8. The method of claim 1, wherein said individual must agree to remain a customer of said second entity for a predefined minimum period of time.

9. The method of claim 1, wherein said billing statement is a billing statement of said first entity and said offer is provided to said individual in said billing statement of said first entity.

10 The method of claim 1, further comprising the step of determining if said customer has accepted said offer.

11. A customer acquisition system comprising:

a memory for storing a customer account record of a first entity, said customer account record including a customer identifier;

a processor operatively coupled to said memory, said processor configured to:

select a customer account record;

determine if an individual indicated by said customer identifier is a customer of a second entity;

generate a billing statement from the first entity for said individual; and

provide with the billing statement an offer to said individual to pay at least a portion of an account due on said billing statement if said individual becomes a customer of said second entity;

receive acceptance of said offer from said individual; and

acquire the individual as a customer by transferring said at least a portion of said amount to the first entity by the second entity.

12. A computerized customer acquisition system comprising:

means for selecting a customer account record from an electronic customer account database of a first entity, said customer account record including a customer identifier;

means for determining if an individual indicated by said customer identifier is a customer of a second entity;

means for sending a billing statement from the first entity to said individual;

means for providing with the billing statement an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity;

means for receiving acceptance of said offer from said individual; and

means for acquiring the individual as a customer by transferring said at least a portion of said amount to the first entity by the second entity.

13. An article of manufacture comprising:

a computer readable medium having computer readable code means embodied thereon, said computer readable program code means comprising:

a step to select a customer account record of a first entity, said customer account record including a customer identifier;

a step to determine if an individual indicated by said customer identifier is a customer of a second entity;

a step to generate a billing statement from the first entity for said individual; and

a step to provide with the billing statement an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity.

22. A method for paying an amount due indicated on a billing statement generated from an electronic database, comprising the steps of:

receiving an offer with the billing statement to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party;

indicating acceptance of said offer for said third party to pay at least a portion of said amount due; and

becoming a customer of said third party.

23. The method of claim 22, wherein said amount due is less than or equal to a maximum amount specified by said third party.

24. The method of claim 22, further comprising the step of agreeing to become a customer of said third party for a predefined minimum period of time.

25. The method of claim 22, wherein said offer is provided in a billing statement.

26. The method of claim 22, wherein said step of indicating acceptance further comprises the step of utilizing acceptance indicia on said billing statement.

28. A method comprising:

receiving data that indicates

a third party and

a maximum amount that the third party will pay for receiving a new customer;

selecting a credit card account from a plurality of credit card accounts, the credit card account indicating

a customer,

an outstanding balance, and

a minimum amount due;

determining whether the minimum amount due is less than or equal to the maximum amount;

sending a billing statement to the customer;

providing with the billing statement an offer to the customer to become a customer of the third party;

receiving an acceptance of the offer from the customer; and

applying the minimum amount due to the credit card account in response to the received acceptance without receiving the minimum amount due from the customer.

29. A method comprising:

identifying a customer account record of a first entity, said customer account record including a customer identifier and an amount due;

determining if an individual indicated by said customer identifier is a customer of a second entity; and

providing an offer via a billing statement to said individual to pay at least a portion of said amount due if said individual becomes a customer of said second entity.

30. A method comprising:

sending a billing statement to an existing customer of a first entity,

the billing statement including at least one amount due,

the billing statement including an offer to the customer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due;

receiving an acceptance of the offer from the customer; and

applying the minimum amount due to the billing statement in response after receiving the acceptance.

APPENDIX B

CHART SHOWING CLAIM DEPENDENCIES

Claims **1 - 13, 22 - 26 and 28 - 30** are pending.
Claims **1, 11 - 13, 22 and 28 - 30** are independent.

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APPENDIX C

INDEPENDENT CLAIMS INVOLVED IN THE APPEAL

Claims **1 - 13, 22 - 26 and 28 - 30** are pending.
Claims **1, 11 - 13, 22 and 28 - 30** are independent.

1. A computerized customer acquisition method comprising the steps of:

selecting a customer account record from an electronic customer account database of a first entity, said customer account record including a customer identifier;

determining if an individual indicated by said customer identifier is a customer of a second entity;

sending a billing statement from the first entity to said individual;

providing with the billing statement an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity;

receiving acceptance of said offer from said individual; and

acquiring the individual as a customer by transferring said at least a portion of said amount to the first entity by the second entity.

11. A customer acquisition system comprising:

a memory for storing a customer account record of a first entity, said customer account record including a customer identifier;

a processor operatively coupled to said memory, said processor configured to:

select a customer account record;

determine if an individual indicated by said customer identifier is a customer of a second entity;

generate a billing statement from the first entity for said individual; and

provide with the billing statement an offer to said individual to pay at least a portion of an account due on said billing statement if said individual becomes a customer of said second entity;

receive acceptance of said offer from said individual; and

acquire the individual as a customer by transferring said at least a portion of said amount to the first entity by the second entity.

12. A computerized customer acquisition system comprising:

means for selecting a customer account record from an electronic customer account database of a first entity, said customer account record including a customer identifier;

means for determining if an individual indicated by said customer identifier is a customer of a second entity;

means for sending a billing statement from the first entity to said individual;

means for providing with the billing statement an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity;

means for receiving acceptance of said offer from said individual; and

means for acquiring the individual as a customer by transferring said at least a portion of said amount to the first entity by the second entity.

13. An article of manufacture comprising:

a computer readable medium having computer readable code means embodied thereon, said computer readable program code means comprising:

a step to select a customer account record of a first entity, said customer account record including a customer identifier;

a step to determine if an individual indicated by said customer identifier is a customer of a second entity;

a step to generate a billing statement from the first entity for said individual; and

a step to provide with the billing statement an offer to said individual to pay at least a portion of an amount due on said billing statement if said individual becomes a customer of said second entity.

22. A method for paying an amount due indicated on a billing statement generated from an electronic database, comprising the steps of:

receiving an offer with the billing statement to have at least a portion of said amount due paid by a third party in exchange for becoming a customer of said third party;

indicating acceptance of said offer for said third party to pay at least a portion of said amount due; and

becoming a customer of said third party.

28. A method comprising:

receiving data that indicates

a third party and

a maximum amount that the third party will pay for receiving a new customer;

selecting a credit card account from a plurality of credit card accounts, the credit card account indicating

a customer,

an outstanding balance, and

a minimum amount due;

determining whether the minimum amount due is less than or equal to the maximum amount;

sending a billing statement to the customer;

providing with the billing statement an offer to the customer to become a customer of the third party;

receiving an acceptance of the offer from the customer; and

applying the minimum amount due to the credit card account in response to the received acceptance without receiving the minimum amount due from the customer.

29. A method comprising:

identifying a customer account record of a first entity, said customer account record including a customer identifier and an amount due;

determining if an individual indicated by said customer identifier is a customer of a second entity; and

providing an offer via a billing statement to said individual to pay at least a portion of said amount due if said individual becomes a customer of said second entity.

30. A method comprising:

sending a billing statement to an existing customer of a first entity,

the billing statement including at least one amount due,

the billing statement including an offer to the customer to become a customer of a second entity in exchange for paying at least a portion of the at least one amount due;

receiving an acceptance of the offer from the customer; and

applying the minimum amount due to the billing statement in response after receiving the acceptance.